(Published in Part - III Section 4 of the Gazette of India, Extraordinary)

TARIFF AUTHORITY FOR MAJOR PORTS

No.227 **New Delhi, 22 November, 2011**

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from the Mumbai Port Trust for general revision of its Scale of Rates as in the Order appended hereto

(Rani Jadhav)
Chairman

TARIFF AUTHORITY FOR MAJOR PORTS
Case No. TAMP/46/2009 - MBPT

Mumbai Port trust **- - - -** **Applicant**

O R D E R

(Passed on this 11th day of October 2011)

This case relates to a proposal received from the Mumbai Port Trust (MBPT) for general revision of its Scale of Rates.

2.1. This Authority vide Order dated 28 September 2006 had notified the Scale of Rates of Mumbai Port Trust (MBPT) with a validity period till 31 March 2009. By letter dated 30 January 2009 MBPT filed its proposal for general revision of its Scale of Rates effective from 1 April 2009. This was followed by Port's letter dated 31 March 2009 seeking permission for continuation of the existing SOR till 31 December 2009 and to withdraw the proposal dated 30 January 2009 stating the following reasons:

(i) With the (then) prevailing economic recession, a reduction in traffic was being experienced by the Port.

(ii) Prevalence of highly volatile foreign exchange fluctuation.

(iii) Uncertainty of the impact of impending wage settlement.

2.2. Since the review of MBPT's Scale of Rates was already due and formal proceedings had already been initiated, this Authority took the view that it would be appropriate to conclude the proceedings only after hearing the concerned parties. By letter dated 29 June 2009, MBPT was informed accordingly and the Port was advised to update its proposal, if considered necessary, to correctly reflect the changed circumstances brought out in its letter dated 31 March 2009.

2.3. The validity of the existing Scale of Rates was extended from time to time and presently the validity stands extended till 30 September 2011 vide Order dated 2 May 2011.

3.1. In response to our letter dated 29 June 2009, MBPT under letter dated 30 October 2009 read with letter dated 31 October 2009 submitted a revised proposal for general revision of its Scale of Rates. This was followed by the Port's letter dated 9 November 2009 requesting this Authority to treat its proposal dated 30 October 2009 as a fresh proposal.

3.2. Projected traffic considered by the Port in the revised proposal was as under:

(in Million Metric Tonnes - MMT)

Year	Traffic
2009-10	52
2010-11	54
2011-12	56
2012 -13	58

3.3. The Port had stated that its Board of Trustees had approved the fresh proposal at its meeting held in October 2009.

3.4. The Port had sought an across the board increase in tariff by 30%.

3.5. According to the Port, the proposal was expected to generate additional revenue of ₹680 crores during 2010-11 to 2012-13.

3.6. The consolidated income and cost position furnished by the Port at the existing level of tariff and at the proposed tariff was as under:-

(₹ In lakhs)

Sr. No	Particulars	At Existing Tariff				At Proposed Tariff		
		2009-10	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
I	Traffic (In MMTs)	52	54	56	58	54	56	58
II	Operating Income	83200	86400	89700	92909	108252	112362	116374
III	Operating Cost	52942	54967	58028	60336	54967	58028	60336
IV	Depreciation	6485	6665	7514	8781	6665	7514	8781
V	M & GA O/H	20455	21245	22444	23409	21245	22444	23409
VI	Operating Surplus/Deficit	3318	3523	1714	374	25375	24376	23848
VII	F & M income	308	324	340	340	324	340	340
VIII	F & L Expenditure	23145	24517	25454	26838	24517	25454	26838
IX	Surplus before interest and tax	- 19519	-20670	-23400	-26121	1182	-738	-2650
X	Capital employed	73179	75284	92211	152077	75284	92211	152077
XI	ROCE	11520	11776	11604	24202	11776	11604	24202
XII	Net Surplus/ Deficit	-31039	-32546	-38004	-50323	-10694	-15342	-26852
XIII	Net Surplus/Deficit as a % of operating income	-37.31	-37.67	-42.37	-54.17	-9.88	-13.65	-23.07

3.7. Since the MBPT filed a new proposal, this Authority closed the proceedings relating to the proposal dated 30 January 2009 filed by MBPT treating it as withdrawn vide Order dated 27 November 2009.

4. In accordance with the consultative procedure prescribed the revised proposal of the MBPT was forwarded to the concerned users / user organizations for their comments. The comments received from some of the users / user organizations were forwarded to MBPT as feed back information. MBPT responded to the comments of the user organizations.

5.1. During May 2010, MBPT was requested to furnish updated cost statements with actuals for the year 2009-10 and to review the estimates for 2010-11 to 2012-13 based on the actuals for the year 2009-10. Instead of complying with the request, after a lapse of about three months stating that its revision proposal is already delayed, the MBPT in August 2010 informed that its board has considered the proposal in July 2010 and has approved to retain the upward revision in tariff by 30% as approved by it in October 2009 and forwarded to this Authority on 30 September 2009. Since the year 2009-10 was already over, it will not be correct to fix tariff based on the estimates for that year. Conveying this position, port was once again requested to furnish updated cost statements with actuals for the year 2009-10 and to review the estimates for 2010-11 to 2012-13 based on the actuals for the year 2010. Subsequently, the MBPT furnished actuals for 2009-10 and projections for 2010-11 to 2012-13. However, the information furnished by MBPT was in a summary form and cost statements were not furnished. MBPT further stated that even though ROCE is not achieved in view of growing competition and diversion of cargo, its Board of Trustees has approved to retain the proposal of upward revision of tariff by 30%. The port stated that cost statements with actuals and projections will be submitted latest by 15 September 2010, as they are voluminous.

5.2. In the meanwhile, the MBPT vide its letter dated 13 July 2010 made the following submissions:

(i). The present SOR of MBPT does not contain rate for priority berthing charges. As per the TAMP guidelines Clause No. 2.17.1, 2.17.2 and 2.17.3:

2.17.1. Whenever a specific tariff for a service/cargo is not available in the notified Scale of Rates, the port can submit a suitable proposal.

2.17.2. Simultaneously with the submission of proposal, the proposed rate can be levied on an ad hoc basis till the rate is finally notified.

2.17.3. The ad hoc rate to be operated in the interim period must be derived based on existing notified tariffs for comparable services / cargo; and, it must be mutually agreed upon by the Port / Terminal and the concerned users(s)" (ii). The charges for priority berth in SOR of other Major Ports are as under:

Major Ports	Priority berthing charges
Kolkata Port Trust	A charge equivalent to 75% of berth hire charges calculated for the total period of actual stay at the berth subject to a minimum of one day's berth hire.
Chennai Port Trust	For providing the "priority berthing" to any vessel, a fee equivalent to berth hire charges for a single day or 75% of the berth hire charges calculated for the total period of actual stay at the berth, whichever is higher shall be levied.
Kandla Port Trust	For priority berthing, fees equivalent to berth hire charges for a single day or 75% of the berth hire charges for the period of stay, whichever is higher shall be levied extra
JNPT	For priority berthing, fees equivalent to berth hire charges for a single day or 75% of the berth hire charges for the period of stay, whichever is higher shall be levied extra

(iii). Separate cost details cannot be furnished as it is a new tariff.

(iv). MBPT requested for approval of this Authority for the following:

(a). To prescribe the charges for priority berthing at note No.5 under Clause 2.15(A)-Composite Berth Hire charges in the proposed SOR sent to TAMP as under:

"For priority berthing, fees equivalent to berth hire charges for a single day or 75% of the berth hire charges for the period of stay, whichever is higher, shall be levied extra"

(b). To prescribe the charges for rates for priority Anchorage charges at note No. 2 under Clause 2.14 - Schedule of Anchroage fees in the proposed SOR sent to TAMP as under:

(c). Above charges be levied on ad-hoc basis w.e.f. 01.06.2010 till the rate is finally approved / notified from TAMP.

6.1. The MBPT was requested to furnish additional information / clarifications in November 2010. The MBPT furnished its response in April 2011. The details sought and the replies received from the port are tabulated below:

Sr. No.	Queries raised by TAMP	Reply of MBPT
1.	**General**	
(i).	At the time of the comprehensive revision of the Scale of Rates in September 2006, review of tariff was based on the projections for 2006-07 to 2008-09. In Form-7, MBPT has furnished an analysis of variations of actual physical and financial performance with reference to the projections relied upon at the time of deciding the prevailing tariff. It is observed that the variation is more than + or – 20% in respect of the following:	A first comprehensive Tariff proposal was submitted by MBPT during September 2005 and approval to it has been granted with effect from 31st December 2006 valid upto31.3.2009. Tariff validity has been subsequently extended. As such tariff validity may be reckoned from financial year 2006-07 to 2010-11. Financial results for the past tariff period vis-à-vis the projections furnished at the time of proposal is furnished.
	(a) Traffic of 2006-07 and	Actual Traffic for the years 2006-07 and 2007-08

	2007-08,	has increased more than 20% as against projections made. The reasons are given below: (i) POL traffic has increased on account of accounting of cargo moved from Sewree to Wadala through shore pipelines. Further, the traffic diverted to JNPT to the tune of 5837157 tons is accounted for traffic handled. (ii) The stream traffic has not been considered while projecting traffic for the years 2006-07, 2007-08 and 2008-09. The stream traffic handled was 6.380 MMT, 6.568 MMT and 5.186 MMT in the years 2006-07, 2007-08 and 2008-09 respectively
	(b) Vessel related income of 2006-07	There is increase in income due to increase in traffic and increased occupation at dry docks.
	(c) Railway Income of all the three years,	The income from Railway activity is not generating surplus.
	(d) Estate Income of 2007-08	₹25 crores received during the year 2007-08 as upfront fees from ICTPL was included in estate income and the same was not considered while projecting the estate income. The increase under this head is on account of the classifications of this one time receipt.
	(e) Cargo Handling expenditure of 2008-09,	While projecting expenditure on account of wage revision due from 01.01.2007, we had considered only 20% increase in salaries and wages. The expenditure of 2008-09 increased more than 20% as against projection due to merging of 50% DA to basic pay w.e.f. 01.01.2007 and also due to grant of interim relief on account of impending wage revision.
	(f) Port and Dock facilities expenditure of 2008-09	Additional depreciation of ₹15.50 crores projected for the year 2008-09 was for the projects of Deepening of Channel, Second liquid chemical Berth and Dock Tugs. These projects are delayed.
	(g) Management and General Administration overhead of 2008-09	There is decrease in operating surplus to the tune of ₹89.43 crores during the tariff validity period. The variations during the years 2006-07 and 2008-09 were on account of lower provision against wage revision due from 01.01.2007 and grant of interim relief on account of impending wage revision in year 2008-09 over and above the points explained in the above paragraphs.
	(h) Provision for depreciation of 2008-09	Additional depreciation of ₹15.50 crores projected for the year 2008-09 was for the projects of Deepening of Channel, Second liquid chemical Berth and Dock Tugs. These projects are delayed.
	(i) Operating surplus / Deficit of 2006-07 and 2008-09	From the comparison of the actual financial results for the past period 2006-07 to 2008-09 with the projections, overall deficit is increasing. As such, the overall position may be reckoned and individual variances observed may not be considered for arising at surplus for tariff fixation or adjustment.
	(j) F & M income of all the three years,	The variation in F & M Income is less as compared to the projections. This was mainly due to income for prior period which has not been considered while preparing the actual cost statement.
	(k) Surplus before ROCE of	The increase in surplus/deficits was on account of

	all the three years	the various factors explained in the previous paragraphs. Further, income from demurrage has increased by ₹39 crores, ₹44crores and ₹72 crores during 2006-07, 2007-08 and 2008-09 respectively and during the tariff validity period the exchange rate had been volatile.
	(l) Capital employed of 2008-09	The average capital employed works out to ₹704.07 crores as compared to the estimate of ₹860.75 crores. The reduction in capital employed is due to delay in commissioning of projects such as Deepening of Channel, Second liquid chemical Berth, Harbour Wall Berth and Dock Tugs etc. The realization of ROCE is 6.49%, (3.68) % and (21.94) % for the year 2006-07, 2007-08 and 2008-09 respectively.
	(m) Net surplus/deficit of 2006-07 and 2008-09. Except stating that the operational surplus is more due to increase in railway income, MBPT has not explained the reasons for such a wide variation in all the items mentioned above. In fact, railway income constitutes only about 1 % of the total operating income of MBPT.	Reasons are given (a) to (l) above.
(ii).	Since the year 2009-10 is over, the figures for 2009-10 may be updated with the actuals available with the port based on the provisional accounts. The estimates for the subsequent years may also be modified based on the 2009-10 actuals. While doing so, a copy of the draft Annual Accounts considered for updating the estimates of 2009-10 with actuals may be forwarded alongwith a statement reconciling the figures reported in the draft Annual Accounts 2009-10 with the figures considered in the cost statement.	The Cost Statements are recast for the year 2009-10 on the basis of actuals, 2010-11 based on Revised Estimate, 2011-12 based on Budget Estimate and the projections for the years 2012-13 and 2013-14 are modified and submitted.
(iii).	As per clauses 5.9 & 6.8 of the revised tariff guidelines, the tariff should be linked to the benchmark levels of productivity. MBPT's proposal, however, does not indicate anything about the productivity levels to be maintained for various operations/services.	There is improvement in productivity levels looking at the factors such as average time spent at berths, average turn-round time and average detention per affected ship. An average improvement to the tune of 2% on the existing level of productivity for the purpose of benchmark can be expected during the tariff validity period. The productivity levels, the revenue realization and the cost for the year 2008-09 are taken as base for the proposal.
(iv).	This Authority has allowed a general flexibility to all the major port trusts to reduce the rates at their discretion mainly	MBPT, on commercial considerations, has granted various concessions to the trade as detail below: (a) Concessional box rate for Stuffing / destuffing

	on commercial consideration. Such reduction, if any, effected by MBPT to be listed out and the consequential effect of such concession granted on growth of traffic may be analyzed item wise.	of containers vide TR 48 of 20.8.2010. (b) Concession on levy of charges on container/cargo brought by road from other Indian ports to Mumbai Port for destuffing and delivery vide TR 4 of 8.6.2010. (c) Concessional charges for storage of empty containers at designated yards vide TR 30 of 27.7.2010. (d) Grant of extended free days for cargo and containers vide TR 73 of 28.10.2010 read with T.R. No. 159 of 14 November 2000. (e) Grant of extended free days for import consignment of iron & steel vide TR 76 of 28.10.2010. (f) Concessional stevedoring rate and extended free days for fertilizer/fertilizer raw-material handled through Hay Bunder vide TR 37 of 27.7.2010. (g) Rebate of 40% in vessel related charges for international cruise vessels calling at Mumbai Port vide TR 108 of 12.10.2004. (h) Concessional embarkation / disembarkation charges for passengers of cruise vessels vide TR 151 of 20.12.2005. (i) Reduction in stevedoring charges at 70% instead of 120% for mid-stream discharging operation vides TR 129 of 22.8.2006 and TR 20 of 27.2.2007. (j) Concession in wharfage and pre shipment facility of 30 days for export cargo brought by sea for shipment through Mumbai Port vide TR 107 of 18.7.2000. (k) Concessional rate for demurrage on export of agricultural products vide TR 5 of 8.6.2010. (l) Extension of period from 60 days to 180 days for long term storage of import bagged cargo of pulses and sugar vide TR 38 of 27.7.2010. (m) Grant of free days for handling of coal at Haji Bunder vide TR 54 of 10.5.2005. (n) Concession in Port dues on vessels calling at Mumbai Port on second and subsequent call in a month vides TR 165 of 27 February 2007.
(v).	In Form-8, MBPT has furnished certain details of activity wise manpower deployment and the costs thereof. However, the details pertaining to surplus manpower have not been	The present strength of MBPT and BDLB is 18279. The natural attrition during the tariff validity period is expected to be about 3000. This has been factored in the cost computations. Other than the above no surplus manpower has been identified. Port is not recruiting employees and due to retirement of

	furnished in this Form. A brief note on surplus manpower, if any, be furnished and allocation of expenditure on such manpower explained keeping in mind clause 2.6.1 of the revised tariff guidelines	employees the number of employees is getting reduced.
(vi).	As per clause 2.6.2 of the revised tariff guidelines it is necessary to conduct time and motion study of different operations and regularly adjust manning scales/datum accordingly after due process of law. The action, if any, taken in this respect to be informed.	It is a fact that cargo composition has changed since the last few years from light small mixture of bags, cartons, cases, crates, bales to heavy loads, such as coils, billets, etc. and other unitized cargoes, such as wood pulp, wooden logs, etc. and bulk cargo is being handled with the help of grabs and pay loaders. However, manning levels in line with the type of cargo handled and methodology remains the same. The datum for all types of cargo was last determined in 1994. Efforts have been made, time and again, to revise the datum based on average output of preceding 3 years. However, there has been no positive response from the Unions for reduction in manning and rationalization of datum. The improvement of manning skills is being looked into. The natural attrition by retirement also needs to be reckoned. Hence we are not expecting any surplus labour for the proposed tariff validity period.
(vii).	The port may examine whether any of the services qualifying under Section 42(3) of the Major Port Trusts Act are offered by any service provider authorised by the port. If so, the MBPT may initiate action with reference to Chapter 7 of the tariff guidelines.	The present proposal is for fixation of tariff for services rendered by MBPT. The point stated herewith is noted.
2.	**Capacity Utilization**	
(i).	(a) As per clause 2.9.10 of the revised tariff guidelines, return allowed has to be linked to the utilization factor of the capacity of the port as assessed by it considering the berth length and other facilities provided. In Form 2 A, MBPT has shown the designed capacity of the port as 44.65 MMT for 2006-07, 50.70 MMT each for the next two years of 2007-08 and 2008-09, 47.40 MMT for the two years 2009-10 and 2010-11, 49.40 MMT for 2011-12 and 66.00 MMT for 2012 - 13. MBPT is requested to furnish the detailed workings for capacity of the port as a whole and of facilities for major commodity groups like, POL, Liquid bulk, Dry bulk, containers and general cargo for the years 2009-10 to 2011-	The average capacity for tariff validity period is estimated to be 62 MMT per annum. The detailed workings for capacity calculation of the port as a whole and of facilities for major commodity are furnished. [Statement shows only cargo-wise and year-wise capacity]

	12 considering the capital investments proposed during these years and the productivity improvements expected to be achieved thereby.	
	(b) In the MBPT's letter No. D (P&R) /Port Capacity dated 22 April 2009 addressed to the Ministry it has been explained how the capacity of the port as on 31 March 2008 at 50.70 MMT and as on 31 March 2009 at 47.40 MMT has been reassessed. It appears, the port has reassessed the capacity for the subsequent years in tandem with the creation of additional assets vide sub-para (2) below. However, MBPT is requested to confirm whether the revised capacities have been recognized by the Ministry.	The commodity wise capacity as on 31.3.2010 has been assessed by the Ministry vide letter No.DW/DTO-02/09 dated 14.7.2010. A copy of it is furnished.
	(c). The port is also requested to furnish the productivity improvements expected to be achieved by the capacity additions.	Cargo handling operations at the port are getting re-located with the filling up of Princess Dock & Victoria Dock and construction of harbour wall berth during the tariff validity period. As such efforts will be done to achieve the increase in productivity to the tune of 2%.
(ii).	From the details furnished in Form 4-B, it is observed that the capacity of the port in the year 2011-12 would increase by 18.6 M.T:- 7 M.T in view of dredging and infrastructure development for handling bigger ships at 18 to 21 ID Harbour Wall Berths, 2 MMT due to construction of a second liquid chemical berth at Pir Pau 2 MMT and 9.6 MMT due to construction of 2 offshore berths for handling containers on BOT basis. MBPT is requested to support these capacity figures with detailed computation.	The computation of the capacity addition is furnished as under: (i). Development of Harbour Wall Berths (18-22) at Indira Dock in Mumbai. (a). 5.2 MMTPA as steel product / other unitized cargo. (b). Containerised cargo (c). 1.5 MMTPA as break-bulk and bagged cargo. (ii) Construction of Second Liquid Chemical Berth off Pir Pau - 2 MMTPA POL/Liquid Chemical. (iii). Construction of two offshore berths for handling containers on BOT Basis (a) Initially in Phase I – 8,00,000 TEUs (b) Initially in Phase II- 12,00,000 TEUs
	The capacity utilization figures and ROCE adjusted for capacity utilization have not been furnished in Form 4 A. MBPT is requested to comply.	The projected capacity utilization of MBPT at various segments are above the prescribed norm of 60%. As such, adjustment as prescribed in the format is not warranted.

<table>
<tr><th>2.</th><th>Traffic</th><th></th></tr>
<tr><td>(i).</td><td>Although MBPT has furnished the commodity wise traffic of Iron Ore, Coal, POL, Fertilizers and other cargoes, the basis on which such projections have been made is not clear. MBPT to furnish the details. The annual cargo traffic fixed by the Department of Shipping vide its letter dated 23 April 2009 is 53.46 MMT for the year 2009-10 against which the MBPT has estimated the traffic as ₹ 52.00 MMT. MBPT to confirm whether the traffic projections are in line with the projections in the five year / annual plan and the current / expected growth as stipulated in clause 2.5.1 of the revised tariff guidelines. If there is any deviation, the reasons therefor need to be explained.</td><td>The Traffic projections as per the business plan are furnished. The commodity-wise actual traffic from 2006-07 to 2009-10 and projections for the years 2010-11 to 2012-13 are furnished. [It has furnished a copy of Form-2A]

The variations in the traffic projections in the proposal and as per MOU are only 8.20%. The reduction in the traffic as compared to the business plan is due to delay in commissioning of various development projects like Offshore Container Terminal, 2nd Liquid Chemical Berth, Harbour Wall Berth and 5th Oil Jetty. The realistic traffic projections are considered in the proposal.</td></tr>
<tr><td>(ii).</td><td>From the copy of MOU entered into between MBPT and Ministry, it is observed that the target for 2008 - 09 was 61.03 MMT. The throughput handled by the Port during 2008-09was only 51.88 MMT. The reason for the variation may be explained. If MOUs for 2009-10 and 2010-11 have been entered into with the Ministry, copies thereof may be forwarded for perusal</td><td>The reasons for shortfall in traffic as per the MOU and actual traffic during 2008-09 are as under:
(a). Diversion of crude to JNPT by about 3.00 MMT as compared to the previous year's traffic.

(b). Reduction in stream discharge cargo by about 1.40 MMT as compared to the previous year's traffic.

(i). Shifting of container traffic to JNPT

(ii). Fall in export of POL Products by 0.51 MMT as compared to the previous year's traffic.

During the year 2008-09 since August 2008 there is a reduction in cargo throughput on account of global economic recession.

Copies of the MOU for the years 2009-10 and 2010-11 are furnished.</td></tr>
<tr><td>(iii).</td><td>The number of JNPT bound vessels and their aggregate GRT, with break-up of foreign-going and coastal, may please be furnished</td><td>Number of vessels visited JNPT and aggregate GRT of the vessels are as follows:<table><tr><th>Year</th><th>Vessels</th><th>GRT of the vessels</th></tr><tr><td>2008-09</td><td>2981</td><td>77340000</td></tr><tr><td>2009-10</td><td>3049</td><td>85894000</td></tr></table></td></tr>
<tr><td>(iv).</td><td>(a) In Form 2 – A the details of container traffic have not been furnished from the year 2008-09onwards stating that the container operations have been handed over to ICTPL. However, in the draft SOR submitted along with the proposal, MBPT has proposed rates for all the container related activities. It has come</td><td>The Container handled by the MBPT including ICTPL has been updated in Form-2A for the years 2008-09 and 2009-10 and furnished.

As per the license agreement with ICTPL, MBPT is allowed to handle containers. Relevant clause No.8.50 of license agreement is reproducing below.

"Licensee (ICTPL) and Licensor (MBPT) shall have right to handle container traffic in the following manner: For the period the Licensee is</td></tr>
</table>

	to notice that MBPT will continue to handle certain types of containers. MBPT is, therefore, advised to include such containers in the traffic forecast and also include the income there from in Form 3-A. If MBPT is of the view that no such units will be handled, MBPT to state the necessity to retain the container related sections in the SOR. (b) MBPT to state whether the traffic handled by ICTPL during 2008 – 09/2009-10 and proposed to be handled during the subsequent years have been included in Form 2 – A. The basis on which traffic estimation of ICTPL is considered in the cost statement for the years 2009-10 to 2012-13 may be explained.	*in possession of BPS full exclusivity is granted for a maximum period of 5 years from the date of award of license or 2 years from the date of commissioning of OCT whichever is earlier, for gearless vessels to the Licensee. Licensor will have option to handle geared container vessels provided the BPS is occupied and a gearless container vessel is waiting for berth. All combi vessels shall continue to be handled by the licensor."* Even though the number of containers to be handled by MBPT is marginal, a rate structure is required." (b) Traffic handled by ICTPL during 2008-09 and 2009-10 are not included in Form 2A.
3.	**Cost Statements**	
A.	**Income Estimates**	
(i).	MBPT to confirm that the cost statements furnished are based on the accounting results of MBPT coupled with that of BDLB.	The cost statements furnished are based on the financial results of MBPT including that of BDLB.
(ii).	Note 3 of the cost format require the major ports to furnish detailed computation of income with reference to traffic at the existing tariff and the proposed tariff level. Form 2-B furnished by the port gives break- up of the income estimation without any working. MBPT to furnish detailed computation of the income estimation at the existing tariff level as well as at proposed tariff level for the years 2009-10 to 2012-13.	The detailed computation of the income at the existing tariff level as well as proposed tariff level is enclosed. [Workings for the income are not furnished]
(iii).	Although container traffic has been excluded in Form 2 A for the year 2008-09 onwards, income from container handling and dwell time / storage charges from containers have been included in Form 2-B for those years.	The container traffic for the year 2008-09 and 2009-10 are included in Form 2-A and enclosed. Income from container handling and dwell time/storage charges are included in Form 2-B. The operation in Mumbai Port is licensed out to Indira Container Terminal Pvt. Ltd., (ICTPL). The project is in progress and as per the license agreement the containers will be handled by ICTPL.

<table>
<tr><td></td><td></td><td>The containers, which are likely to be handled by MBPT are only in exceptional cases of bunching of vessels, etc. and this is expected to be very negligible hence the projections are not given in this regard.</td></tr>
<tr><td>(iv).</td><td>In Form 2-B under POL and Fertilizers, marginal income ranging between ₹1 Lakh to ₹4 Lakh have been shown towards demurrage charges. The demurrage charges received under these heads in the last three years may please be furnished.</td><td>The quantum of demurrage charges is highly fluctuating depending on the conditions at different points of time. The increase in the profitability, during past few years, was due to increase in demurrage charges. Demurrage charges are deterrents for facilitating smooth operations. Hence quantum of demurrage charges in the past may not be considered as a regular income for the purpose of tariff fixation. However, required information is furnished. [Summary of information furnished by MBPT is given below:
<table>
<tr><td>Commodity</td><td>Year 2007-08</td><td>Year 2008-09</td><td>Year 2009-10</td></tr>
<tr><td>Fertilizer</td><td>64210</td><td>67092</td><td>136806</td></tr>
<tr><td>POL</td><td>409908</td><td>91157</td><td>275045</td></tr>
</table></td></tr>
<tr><td>(v).</td><td>Substantial income ranging from ₹46.92 crores to ₹65.82 crores under cargo handling and ranging from ₹11. 04 crores to ₹14.80 crores under vessel related have been shown under the heads ‘others’. The break-up of such income for the years 2006 -07 to 2008-09at actuals and for the years 2009-10 to 2012-13 based on the estimates may please be furnished.</td><td>The break-up of other income under cargo handling activity is furnished in Form-5A. The break-up of other income under vessel related activity is furnished. [MBPT has furnished a statement showing the break-up of “other income” under cargo handling activity and vessel related activity. The “other income” includes revenue share receipt from ICTPL as given below:
(₹ in Lakhs)
<table>
<tr><td>2008-09 (Actuals)</td><td>296.34</td></tr>
<tr><td>2009-10 (Actuals)</td><td>396.12</td></tr>
<tr><td>2010-11 (Actuals)</td><td>421.25</td></tr>
<tr><td>2010-12 (Actuals)</td><td>435.79</td></tr>
<tr><td>2012-13 (Estimate)</td><td>435.78</td></tr>
<tr><td>2013-14 (Estimate)</td><td>435.78</td></tr>
<tr><td>Total</td><td>2421.06</td></tr>
<tr><td>2013-14 (From Oct)</td><td>1169.00</td></tr>
<tr><td>Total</td><td>3590.06</td></tr>
</table></td></tr>
<tr><td>(vi).</td><td>(a). The Estate income for 2007-08 stood at ₹101.44 crores. For 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 income from this activity has been projected at ₹72.45 crores, ₹81.48 crores, ₹84.74 crores, ₹88.13 crores and ₹91.27 crores respectively. The reason for wide fluctuation in the income may please be explained. The detailed computation of the projected estate income for the different sub-activities may also be furnished.</td><td>The abnormal increase in estate income during the year 2007-08 was on account of accounting of payment received from ICTPL and classifying the same as estate income. This was a one time affair, hence abnormal. The projections of estate income for the year 2010-11 to 2012-13 are on basis of Budget Estimate 2009-10 with overall 4% escalation.</td></tr>
<tr><td></td><td>(b) A reference to a proposal submitted to the Government for approval of certain rates under General Bye-laws had</td><td>A copy of the TR No.49 of 28.5.2002 is furnished. The rates of casual occupation from General Bye-laws are proposed in the draft SOR. Demurrage charges on par with custom bound area is also</td></tr>
</table>

	been made in para 5 of MBPT's earlier letter dated 30 January 2009. A copy of the TR No. 49 of 28 May 2002 referred to therein may please be furnished for perusal. If any rates proposed to the Government have been adopted in the draft SOR now submitted, the exact sections / sub-sections in which they have been proposed may also be furnished.	proposed
(vi).	Despite the recent upward revision in railway tariff reported by MBPT, the activity discloses huge deficit even before allowing ROCE. The proposals of MBPT to make this activity financially self-reliant may be explained. It may also be clarified whether MBPT has taken up again with the Railway Board for revision of rates under this activity.	As per the Tripartite Agreement of 1989, the revision of railway tariffs is done by railway board and is binding on port railway. The revision of shunting charges and charges for mis-despatched wagons is done through Tripartite Agreement. The present agreement is in force since 1989. The work of revision of Tripartite Agreement is in progress.
(viii).	It is not clear whether the revenue share and license fee received/ receivable from ICTPL is considered in the income for the year 2008-09 and 2009-10 and in the estimates for the subsequent years 2010-11 to 2012-13. As per Clause 2.8.3 of the revised tariff guidelines, the Major Port Trusts have to transfer at least 50% of the revenue share receivable from the Private Terminal Operator to the Escrow Account for the purposes mentioned therein. The details of the escrow account opened by MBPT in this respect may please be informed.	The income from revenue share and license fee received from ICTPL is considered as revenue income for the year 2008-09 and 2009-10 and also estimated for the subsequent years 2010-11 to 2012-13. Opening of Escrow account is not mandatory. This is required to be done when the port proposes to segregate this income, out of income considered for tariff fixation. Since, MBPT is not expected to get 16% ROCE in the proposal, the issue is felt not relevant and very minor in nature.
(ix).	MBPT to explain the treatment given to license fee receivable from ICTPL in the income statement.	The income received against license fee on land to ICTPL is considered as estate income.
(x).	An analysis of average dwell time of different types of cargo for the past four years 2006-07, 2007-08, 2008-09and 2009-10 may be furnished. Average dwell time considered for estimating the demurrage and storage income for the years 2009-10 to 2012-13 at the existing tariff level as well the proposed tariff may also be	MBPT is a multi commodity port and all the berths are utilized for all types of cargoes. The position is expected to be worse in the proposed tariff validity period due to the closure of P&V Dock and during construction of Harbour Wall berth. Further, the dwell time cannot be pre-defined in such a scenario. However, the Port take corrective action by way of remissions to ensure that the cargo is not diverted and the EXIM traffic through the port is not adversely affected. The statement of average dwell time of different type of cargo for the past four years

<table>
<tr><td></td><td>indicated.</td><td>is furnished.</td></tr>
<tr><td>(xi).</td><td>The income arising out of dollar denominated tariff may be updated with the current exchange rate.</td><td>The present fluctuation in exchange rate is a temporary phenomenon and rupee is expected to be stronger and as such we do not expect any additional revenue on account of foreign exchange variation during the tariff validity period.</td></tr>
<tr><td>(xii).</td><td>It has been stated in the Board note preambled to TR No. 147 of 2009 that the rate revision proposal is estimated to generate additional revenue of ₹ 679.83 Crores during the next three years. MBPT to furnish a break-up of estimated additional revenue per annum under different activities/sub-activities.</td><td>A break-up of estimated additional revenue per annum under different activities/sub-activities is furnished as given below:
<u>Statement showing the break-up of estimated additional revenue per annum under different activities / sub-activities</u>
<u>Based on actual 2009-10, RBE for 2010-11 and BE for 2011-12</u>
<table>
<tr><td>Description</td><td>2011-12
Additional Income</td><td>2012-13
Additional Income</td><td>2013-14
Additional Income</td><td>Total</td></tr>
<tr><td></td><td colspan="4">(₹ in lakhs)</td></tr>
<tr><td><u>Cargo Handing Activity</u>
Cargo handed at Docks</td><td>5020</td><td>5187</td><td>5354</td><td>15561</td></tr>
<tr><td>Cargo handled at Bunders</td><td>402</td><td>415</td><td>428</td><td>1245</td></tr>
<tr><td>Cranage</td><td>36</td><td>37</td><td>38</td><td>112</td></tr>
<tr><td>Uncleared warehouse</td><td>3688</td><td>3811</td><td>3934</td><td>11433</td></tr>
<tr><td>POL and Liquid Chemicals</td><td>4236</td><td>4377</td><td>4519</td><td>13132</td></tr>
<tr><td>Total – 1st Activity</td><td>13381</td><td>13828</td><td>14274</td><td>41483</td></tr>
<tr><td><u>Vessel Related Activity</u>
Composite towage & Pilotage</td><td>3371</td><td>3484</td><td>3596</td><td>10451</td></tr>
<tr><td>Composite Berth hire charges</td><td>1962</td><td>2027</td><td>2093</td><td>6082</td></tr>
<tr><td>B.M. at Bunders</td><td>1865</td><td>1927</td><td>1990</td><td>5782</td></tr>
<tr><td>Port Conservancy</td><td>2897</td><td>2994</td><td>3091</td><td>8982</td></tr>
<tr><td>Dry Docking</td><td>225</td><td>233</td><td>240</td><td>698</td></tr>
<tr><td>Ship Breaking</td><td>603</td><td>624</td><td>644</td><td>1871</td></tr>
<tr><td>Total – 2nd Activity</td><td>10924</td><td>11289</td><td>11653</td><td>33866</td></tr>
<tr><td>BDLB</td><td>2061</td><td>2130</td><td>2198</td><td>6389</td></tr>
<tr><td>Total Additional Income</td><td>26367</td><td>27246</td><td>28125</td><td>81737</td></tr>
</table></td></tr>
<tr><td>(xiii).</td><td>The throughput for 2008-09 has been 51.88 MMT and the cargo handling income of that year was ₹522.76 crores. Although the throughput has been estimated for 2009-10 at 52.00 MMT, the cargo handling income projected is only ₹482.37 crores. Likewise, despite projecting the throughput of 54 MMT, 56 MMT and 58 MMT for 2010-11 to 2012-13, the cargo handling income projected is ₹500.80 crores, ₹520.09 crores and ₹ 538.67 crores respectively. Why the income projected is not in tandem with the traffic projections may be explained.</td><td>The cargo handling income is expected to vary on account of cargo mix and demurrage income and similarly on storage charges and concessions to be extended. As such, it cannot be directly proportional to the throughput levels. There is substantial cargo being handled by ONGC, shore pipelines and stream discharge wherein the average revenue earning of the port is lower. Hence, the revenue generations are projected on the most likely scenario.</td></tr>
<tr><td>(xiv).</td><td>The throughput for 2008-09 was 51.88 MMT and the vessel related income of that year was ₹275.08 crores. Although the throughput has been estimated for 2009-10 at 52.00 MMT, the vessel related income projected is only ₹256.00 crores. Likewise, despite projecting the throughput of 54 MMT, 56 MMT and 58 MMT for</td><td>The income from vessel related charges is high subject to variation on account of foreign exchange rate with 80% of the vessels calling in at the Port are foreign vessels. The GRT of the vessels, the average parcel size, stay at berth, stay at anchors, etc. are also factors of variation. As such, the vessel income also cannot be proportionate to the cargo throughput. Hence, the projections are on the most likely scenario and may be considered to be in order.</td></tr>
</table>

<table>
<tr><td></td><td>2010-11 to 2012-13, the vessel related income projected is ₹265.84 crores, ₹275.19 crores and ₹285.55 crores respectively. Why the income projected is not in tandem with the traffic projections may be explained.</td><td></td></tr>
<tr><td>4.</td><td>Operating Expenditure</td><td></td></tr>
<tr><td>(i).</td><td>The cost statement – Form 3 A - furnished by MBPT contains the actual operating expenditure of 2006-07 to 2008-09and the estimated figures for 2009-10 to 2012-13. Since 2009-10 is already over, MBPT to update the statement with actuals of 2009-10 and the estimates for 2010-11 to 2012-13 modified based on the 2009-10 actuals. While doing so, it is to be ensured, as stipulated in clause 2.5.1 of the tariff Guidelines, that the expenditure projections are made with reference to current movement of Wholesale Price Index.</td><td>The Cost Statements for the year 2009-10 on actuals, 2010-11 on Revised Estimate, 2011-12 on Budget Estimate and projection for the years 2012-13 and 2013-14 are modified and furnished.</td></tr>
<tr><td></td><td>(a) The provision, if any, made for wage revision may clearly be indicated under the respective financial years along with detailed basis followed for estimating the same.</td><td rowspan="2">During the previous general revision tariff a provision of 20% on the pre-revised wages was considered on account of wage revision. The actual was far above the estimate. The effect of wage revision under the respective financial years is furnished.

[MBPT has furnished a table showing the provision made for MBPT and BDLB. The total provision for the period 2007-08 to 2009-10 is shown as ₹301.81 Crores)</td></tr>
<tr><td></td><td>(b). MBPT to confirm that the salaries and wages cost estimated for the years 2009-10 to 2012-13 takes into consideration the impact of wage revision. The basis followed for estimating wage revision impact may be indicated</td></tr>
<tr><td></td><td>(c) The average employee cost for the years 2008-09to 2012 -13 may please be furnished. If the average employee cost shows any substantial increase it may be justified with reference to the current Wholesale Price Index for all the commodities.</td><td>The average employees costs for the years 2009-10 to 2012-13 are as given below:
(₹ in Crores)
<table>
<tr><th></th><th>2008-09</th><th>2009-10</th><th>2010-11</th><th>2011-12</th><th>2012-13</th><th>2013-14</th></tr>
<tr><td>Salaries & wages</td><td>Actual 559.85</td><td>Actual 636.36</td><td>RBE 698.00</td><td>BE 760.07</td><td>Projec 863.14</td><td>Projec. 929.93</td></tr>
<tr><td>No. of Emps.</td><td>18678</td><td>18279</td><td>17513</td><td>16801</td><td>15866</td><td>14811</td></tr>
<tr><td>Avg. Emp. (S&W) Exp.</td><td>₹ in lakhs 2.99</td><td>₹ in lakhs 3.48</td><td>₹ in lakhs 3.98</td><td>₹ in lakhs 4.52</td><td>₹ in lakhs 5.44</td><td>₹ in lakhs 6.27</td></tr>
</table></td></tr>
<tr><td></td><td>(d) The basis of allocation of Management and General Overhead, Finance and Miscellaneous Income and Finance and Miscellaneous Expenditure between various</td><td>The basis of apportionment of the Management and General Overheads and Finance and Miscellaneous Expenditure is as under :

(a). Stores Overhead: Store consumed by each service.</td></tr>
</table>

<table>
<tr>
<td></td>
<td>activities / sub-activities may be indicated. Also, confirm whether it is in line with the General Instructions given in Form 5 of the cost format.</td>
<td>(b). Residual Management & General Overheads, Direct cost of each service

(c). Labour Welfare & Medical : No. of employees of each service.

(d). Engineering & Workshop Overhead: R&M of each service.

(e). Finance & Miscellaneous Expenditure: Salaries & Wages of each service.

(f). Finance & Miscellaneous Income: Allocated on the basis of direct income of each main activities and Sub-activities.

Same is in line with General Instruction given in Form 5 of the cost format.</td>
</tr>
<tr>
<td>(ii).</td>
<td>MBPT to confirm whether the cost statement for main activities / sub-activities are prepared in line with the general instruction given in Form 5 of the cost format</td>
<td>The cost statements for sub-activities / main-activities are prepared in line with the general instruction given in Form 5 of the cost format.</td>
</tr>
<tr>
<td>(iii).</td>
<td>The ex-gratia payment in lieu of bonus/ performance reward is to be shown under operating expenditure (Salaries and wages) as per the Billimoria Report. MBPT clarify the reasons for including PLB/PLR under F&M Expenses.</td>
<td>It is a fact that performance based incentive needs to be classified under “Operating Expenditure”. However, the PLR is finalized invariably after the closing of accounts. As such, the same is considered as Finance & Miscellaneous Expenditure. However, the expenditure is booked as “Accrued Expenditure” at the year end and the PLR is considered for tariff revision even though classified under Finance & Miscellaneous Expenditure. This is followed consistently.</td>
</tr>
<tr>
<td>(iv).</td>
<td>The cost position reported in the statement pertaining to the service crane vessels gives rise to a presumption that the crane vessels are underutilized. MBPT to furnish the capacity and utilization details of these floating cranes for the last three years and the utilization plan of them for the next three years. The point at issue to be looked into is why other services should subside the underutilized equipment.</td>
<td>Mumbai Port has only one floating crane 'Shreshta' having capacity of 60 MMT. The details of utilization of floating crane from 2006-07 onwards are as follows:
<table>
<tr><th>Year</th><th>No. of times crane intended</th><th>No. of times crane supplied</th></tr>
<tr><td>2006-07</td><td>44</td><td>35</td></tr>
<tr><td>2007-08</td><td>48</td><td>32</td></tr>
<tr><td>2008-09</td><td>13</td><td>13</td></tr>
<tr><td>2009-10</td><td>34</td><td>32</td></tr>
<tr><td>2010-11 (till Nov)</td><td>15</td><td>11</td></tr>
</table>

A utilization of 30%-40% of the port equipments is considered to be normal. The reason is that the equipments and the berths have to wait for the vessels and not the other way. This is peculiar to the service industry where the real cost lies in the standing cost of the vessels. Further, vessels bringing specialized cargo would prefer to use specialized equipment on board the vessel for better productivity. With respect to the specific query regarding under utilization of floating cranes, it is clarified that the port need to maintain certain</td>
</tr>
</table>

<table>
<tr><td></td><td></td><td>essential equipment like fire floats, floating cranes, etc. which are not expected to be with high utilisation. However, these equipments are to be maintained to meet any contingencies or activity of essential nature. As such, the benchmark for such equipments cannot be of normal standard. Hence, it is essential that the cost need to be subsidized as the floating crane cannot generate its revenue.</td></tr>
<tr><td>(v).</td><td>(a) The details furnished in Form-3C show that the pension fund balance as on 31 March 2009 had been ₹2864.73 crores. The pension and PLB / PR contribution considered as F&M expenditure for the years 2006-07 to 2012-13 is ₹184..08 crores, ₹224.46 crores, ₹228.70 crores, ₹231.45 crores, ₹245.17 crores, ₹254.54 crores and ₹268.38 crores respectively. The bifurcated expenditure under pension liability and under PLB/PLR may be furnished.</td><td>The bifurcation of actual payment of pension and PLB/PR are furnished.
(₹ in Crores)
<table>
<tr><td></td><td>2006-07</td><td>2007-08</td><td>2008-09</td><td>2009-10</td><td>2010-11</td><td>2011-12</td><td>2012-13</td><td>2013-14</td></tr>
<tr><td></td><td>Actul</td><td>Actul</td><td>Actul</td><td>Actul</td><td>RBE</td><td>BE</td><td>Proj</td><td>Proj</td></tr>
<tr><td colspan="9">Pension</td></tr>
<tr><td>MB PT</td><td>148.19</td><td>185.67</td><td>173.67</td><td>178.66</td><td>198.27</td><td>214.29</td><td>235.55</td><td>254.81</td></tr>
<tr><td>BD LB</td><td>24.2</td><td>26.85</td><td>31.28</td><td>33.30</td><td>37.54</td><td>40.42</td><td>45.49</td><td>49.38</td></tr>
<tr><td colspan="9">PLB / PLR</td></tr>
<tr><td>Mb PT</td><td>8.96</td><td>9.27</td><td>18.49</td><td>11.93</td><td>11.93</td><td>11.93</td><td>11.93</td><td>11.93</td></tr>
<tr><td>BD LB</td><td>2.73</td><td>2.67</td><td>5.29</td><td>3.65</td><td>3.65</td><td>3.65</td><td>3.65</td><td>3.65</td></tr>
<tr><td>Tot al</td><td>184.08</td><td>224.46</td><td>228.7</td><td>227.54</td><td>251.39</td><td>270.39</td><td>396.62</td><td>319.77</td></tr>
</table></td></tr>
<tr><td>(b).</td><td>It is not clear from the details submitted by MBPT the extent of its pension fund requirement although in the note preambled to the TR No. 147 of 2009 it has been stated that the full funding of pension liability is expected to be completed by 2012-13. Hence, a copy of the report of the actuarial valuation estimating the Pension Fund liability may be furnished.</td><td>MBPT has furnished a copy of LIC valuation of pension liability report dated 30.03.2010. The actual valuation results for exiting pensioners and future pensions as on 31.03.2010 are as follows:
<table>
<tr><td>Sr. No.</td><td>Particulars</td><td>Amount (₹ in Crores)</td></tr>
<tr><td>1</td><td>Value of past service benefits MBPT</td><td>₹. 2149.00</td></tr>
<tr><td>2</td><td>Value of past service benefits BDLB</td><td>₹ 595.50</td></tr>
<tr><td>3</td><td>Purchase price for MBPT pensioners</td><td>₹ 2122.67</td></tr>
<tr><td>4.</td><td>Purchase price for BDLB pensioners</td><td>₹ 428.07</td></tr>
<tr><td>5.</td><td>Total liability</td><td>₹. 5295.26</td></tr>
<tr><td>6.</td><td>Fund available based on prevailing interest rate of 9.60% till 31.03.2010</td><td>₹ 2969.00 (Approxmiate)</td></tr>
<tr><td>7.</td><td>Balance fund required</td><td>₹ 2326.26</td></tr>
</table></td></tr>
<tr><td>(c).</td><td>Break-up of actuarial valuation of Pension Fund in respect of existing employees and the pensioners as of 31 March 2010 may also be furnished.</td><td>(₹ in Crores)
<table>
<tr><td>Particulars</td><td>Employers</td><td>Pensioners</td></tr>
<tr><td>MBPT</td><td>2149.00</td><td>2122.67</td></tr>
<tr><td>Ex-BDLB</td><td>595.50</td><td>428.09</td></tr>
<tr><td>Total</td><td>2744.50</td><td>2550.76</td></tr>
</table></td></tr>
<tr><td>(d).</td><td>MBPT to furnish the basis of estimating the year-wise contribution to pension fund</td><td>(i). Actuarial valuations by LIC
(ii). As decided from time to time for tax Planning.</td></tr>
<tr><td>(e)</td><td>Please furnish the pension fund position for the years 2006-07 to 2009-10 as per the Annual Accounts and the estimates for the years 2010-11 to 2012-13.</td><td>(₹ in Crores)
<table>
<tr><td>Parti Culars</td><td>2006-07</td><td>2007-08</td><td>2008-09</td><td>2009-10</td><td>2010-11</td><td>2011-12</td><td>2012-13</td></tr>
<tr><td>Base in the pension fund as of last date of previous year</td><td>1453.88</td><td>1575.16</td><td>2353.25</td><td>2864.73</td><td>3335.12</td><td>3947.21</td><td>4611.15</td></tr>
</table></td></tr>
</table>

Parti Culars	2006 -07	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13
Annual contribution made towards the pension fund	421.10	454.00	454.00	406.50	500.00	500.00	500.00
Pension payments made during the year	136.43	137.20	167.85	211.10	221.42	230.78	245.21
Income Accrued during the year							
a). Interest accrued on the pension fund balance	118.21	174.07	225.35	275.58	333.51	394.72	461.94
b). Other income	18.30	0.23	0.04	0.41			
c) Adjustment	-	13.01	0.06	-			
Balance in the pension fund as of last date of the year (total of above all)	187.16	2353.25	2864.73	3335.12	3947.21	4611.15	5327.88

The liability for superannuation fund is totally amounting to ₹6002.24 crores (MBPT+BDLB), for which the details are as follows:

Pension Fund	₹ 5295.21 crores
Gratuity Fund	₹ 553.38 crores
Leave Encashment Fund	₹ 153.65 crores
The total funding as on 31.3.2010 is	₹ 3774.81crores

thereby leaving gap of ₹ 2227.43 crores yet to be funded. The funding will be done keeping in mind the tax planning measures and profitability. The statement that the total funding will be completed by 2012-13 is a rough estimate. The contributions to superannuation fund are approximately ranging between ₹ 400-500 crores. However, for the purpose of tariff fixation, the following expenditure against pension has been considered.

2009-10 – ₹ 211.96 cr.
2010-11 – ₹ 233.66 cr.
2011-12 – ₹ 270.93 cr.

	(f). MBPT to confirm that the annual pension payments made during the years 2006-07 to 2009-10 are met from the pension fund and not from revenue account.	(f) The Pension Fund Trust presently covers only the employees of Mumbai Port Trust. Pending legal merger of BDLB with Port Trust, the expenditure on account of actual pension payment is made by the erstwhile BDLB out of their revenue. However, since BDLB is in operating loss, the expenditure is met out of advance made by MBPT to BDLB. The average annual pension expenditure of BDLB is to the tune of ₹ 37 crores.
(vi).	MBPT to furnish a separate cost statement excluding railway and estate activity. Such exclusion should be made in individual activity-wise statements also.	A separate cost statement excluding railway and estate activity is furnished.

(vii).	The National Tribunal Award of 2006 on manning scales has already been notified. Clause 2.6.2 of the tariff guidelines requires the port to regularly review and adjust the manning scales / datum. MBPT to clarify whether the proposal of the MBPT is based on the revised manning scales. If not, please modify the estimation of salary and wage cost based on the revised manning scales awarded by National Tribunal, Kolkatta in 2006. MBPT to furnish the existing manning scales for different services, the manning scale proposed to be followed by the MBPT and cost thereon for the traffic estimation made during the years 2009-10 to 2012-13 and also indicate the cost of surplus manpower, if any, for each of the years 2009-10 to 2012-13. MBPT to fill the details sought in Form No.8 relating to adjustment of cost of surplus manpower. Cost of surplus labour, if any, on account of privatization of the BPS container terminal and on account of implementation of revised manning scales may be adjusted from the revenue share received / receivable from the ICTPL as per the tariff guidelines.	Even though the National Tribunal Award of 2006 has been notified on manning scales, the same has not been implemented as discussions/negotiations are still going on with the Unions. The issue was last placed in the Trustees Meeting held on 30.6.2009, wherein the Chairman has agreed to hold discussions with the Unions on some aspects that may require fine tuning to enable smooth implementation of the Award. Details of cargo-wise existing manning scale and proposed manning scale as per the Tribunal's Award are furnished. As above At present there is no surplus employee identified in the Port. However, port is not adding employees when existing employees retire. The number of employees is thus getting reduced.
(viii).	MBPT to confirm that the depreciation of assets has been computed as specified in clause 2.7.1 of the revised guidelines.	It is confirmed that the depreciation of assets has been computed as specified in clause 2.7.1 of the revised guidelines.
5.	**Working capital**	
(i).	The working capital considered for the years for 2008-09 to 2012-13 as per form 4 A are ₹33.29 crores, ₹31.33 core. ₹28.95 crores, ₹26.27 crores and ₹23.27 cores respectively. The working capital shown for the years 2009-10 to 2012-13 in the note preambled to TR No. 147 of 2009, the working capital considered for the years 2009-10 to 2012-13 are	The reconciliation statement of working capital is furnished.

	₹30.31 crores, ₹26.87 crores, ₹23.09 crores and ₹18.94 crores respectively. Kindly reconcile the differences.	
(ii).	MBPT to furnish detailed computation of working capital estimated in Form 4A following the norms prescribed in the tariff guidelines.	The detailed computation of working capital estimated in Form 4A is furnished.
(iii).	It is observed that while computing Working Capital, Sundry Debtors, Stores Inventory, and Cash & Bank Balances have not been considered according to the limits specified in clause 2.9.9 of the revised guidelines for tariff fixation. For example, the estate income per year considered in Form 3 A ranges between ₹81.48 crores and ₹91. 27 crores. At this rate, the two months estate income will not exceed ₹15.21 crores. While calculating the working capital the port has considered two months estate income ranging between ₹25.48 crores and ₹29.81 crores. MBPT to recalculate the figures adhering to the limits specified in the guidelines.	The details of working capital for the year 2008-09, as per limits specified in clause 2.9.9 of the revised guidelines for tariff fixation is furnished.
6.	**Capital Employed:**	
(i).	In Form 4 A MBPT has classified the schedule of fixed assets for the years 2008-09to 2012-13, in terms of business assets, business related assets and social obligation assets. Similar details for the years 2006-07 and 2007-08 may also be submitted.	Classification of the schedule of fixed assets in terms of business assets, business related assets and social obligation assets has been furnished in form 4A for the years 2006-07 and 2007-08.
(ii).	MBPT to confirm that only those assets which have been fully commissioned and in use have been included in the net block and the assets which have been disposed off or decommissioned have been excluded from the Net Block.	The assets which are fully commissioned and in use are considered in the net block and assets which are disposed off or decommissioned are excluded from the Net Block.
(iii).	List of assets (category-wise) identified with each activity/ sub-activity may be furnished in support of the apportionment indicated.	The Port is having more that 3000 asset cards and allocation on individual asset basis is voluminous. As such, the asset group and its value has been considered for the purpose of allocation of cost.
(iv).	(a) As per the details furnished in Form 4 – A and Form 4 - B, ten projects aggregating ₹ 1168.54 crores are to be added to the Gross	The scheme wise details of projects with stakes as on 31.03.2010 furnished. The break-up of assets expected to be commissioned to the tune of ₹ 2427.25crores is

<table>
<tr>
<td></td>
<td>Block during the period 2009-10 to 2012 - 13. Details of project/feasibility reports relied upon for taking such investment decisions along with the summary of the recommendations contained in those reports may be furnished for perusal. Also state whether these proposed additions will have the effect of addition to the traffic, reduction in unit cost and improvement in operational efficiency vide clause 2.6.3 of the revised tariff guidelines. Further, the scheme wise details of the above mentioned ten projects may be furnished</td>
<td>furnished as given below:
<table>
<tr><th></th><th>Capital Cost</th><th>IRR of the Project</th></tr>
<tr><td>Offshore Container Terminal</td><td>₹ 621.75 Cr</td><td>26.50</td></tr>
<tr><td>Second Liquid Chemical Berth</td><td>₹ 116.00 Cr</td><td>12.42</td></tr>
<tr><td>Harbour Wall Berth</td><td>₹ 353.00Cr</td><td>14.97</td></tr>
<tr><td>Depending & widening of Channel</td><td>₹ 175.00 Cr</td><td>18.24</td></tr>
<tr><td>New Cruise Terminal</td><td>₹ 500.00 Cr</td><td>18.80</td></tr>
<tr><td>Construction of 5th Oil Berth</td><td>₹ 661.50 Cr</td><td>20.10</td></tr>
<tr><td>Total</td><td>₹ 2427.25</td><td>-</td></tr>
</table>
As per the feasibility reports, the projects are found to be viable with the IRR. Hence the question of individual projects generating revenue is addressed in the project report.</td>
</tr>
<tr>
<td></td>
<td>(b) With reference to the estimated expenditure of ₹ 1168.54 crores on fixed assets, MBPT to furnish documentary evidence in respect of the capital value of various assets already commissioned. Similarly, evidence of action taken to procure other assets to be added subsequently may be furnished</td>
<td>Copies of Completion Certificates/Reports from Chief Mechanical Engineer in respect of (i) 2 Dock Tugs, (ii) 4 pilot launches &
(iii) ELL wharf Cranes are enclosed.</td>
</tr>
<tr>
<td>(v).</td>
<td>Port to certify that the actuals for the years 2007-08/ 2008-09do not include the assets handed over to Indira Container Terminal Private Limited (ICTPL) for its operation at the BPS.</td>
<td>The assets handed over to the ICTPL are included in the years 2006-07 and 2008-09. However, the sale proceed has been accounted in the year 2009-10.</td>
</tr>
<tr>
<td>(vi).</td>
<td>The accounting treatment and the treatment given in the cost statement with reference to assets handed over to ICTPL to be indicated.</td>
<td>The assets handed over to the ICTPL are included in the years 2006-07 and 2008-09. However, the sale proceed has been accounted in the year 2009-10.</td>
</tr>
<tr>
<td>(vii).</td>
<td>The basis of apportionment of capital employed between various main activities and sub-activities to be explained.</td>
<td>Capital employed is apportioned on respective Net Block of each activities and sub-activities.</td>
</tr>
<tr>
<td></td>
<td>(a). As per Clause 8.37 of the License Agreement entered with the ICTPL, the MBPT is required to undertake capital and maintenance dredging of the common user approach channel and basins in front of berth as required for 14.5 mtrs. draft vessel. MBPT has stated that it would expend ₹336.39 crores for construction of two</td>
<td></td>
</tr>
</table>

	offshore berths. In this context, the following points need to be clarified.	
	(b). Indicate the sanction amount of capital expenditure proposed towards deepening of channels / berth and the year-wise plans of the capital expenditure. Furnish a copy of the said sanction report.	As per revised estimate, MBPT would be expending ₹621.75 crores (approx) for construction of Offshore Berths. The Estimate amounting ₹444.86 (RCE) crore was sanctioned by Govt. of India vide letter dated 30.3.2009 (copy furnished). [₹336.39 was original cost estimate as seen from the sanction letter of Government].
	(c). Confirm if the work has been awarded, if so, furnish the details with documentary support. The period of completion of the proposed capital dredging project may also be indicated.	The work has been awarded to M/s.Jaisu Shipping Co. Pvt. Ltd. for carrying out Capital Dredging work and the filling of P&V Dock basins. The scheduled date of completion is 25.5.2011.
	(d). Since the proposed investment for capital dredging is mainly for the new container terminal, it is not clear why the financial burden should be passed on to all vessels even those who may not be using the new terminal facilities.	The berth pocket is primarily for container terminal and rest is common for all. The asset is depreciable in 40 years. Hence, the implication is nominal, further when the channel is opened the window of trade increases and will benefit to all the vessels.
	(e). Clause 2.8.3 of the tariff guidelines require the major ports to utilise the funds available in the escrow account (which is created from the receipt of revenue share from private operator) for the purpose of creation/ modernisation of port infrastructure facilities within the stipulated time period. In this context, explain why the balance, if any, available in the Escrow account cannot be utilized to partially meet the proposed expenditure on capital dredging in accordance with the provision prescribed in the tariff guidelines.	Opening of Escrow account is felt not mandatory. This is required to be done when the port proposes to segregate this income, out of income considered for tariff fixation. Since, MBPT is not expected to get 16% ROCE in the proposal, the issue is not relevant and very minor in nature.
7.	**Scale of Rates**	
A.	**General**	
(i).	In the draft Scale of Rates, MBPT has proposed many changes such as merging the rates prescribed for bunders with the rates prescribed for docks, prescribing rates in a tabular form where they are presently prescribed under Notes etc. MBPT has furnished only a comparative statement of the existing and the proposed provisions without offering any explanation for the changes proposed. Although	The rates notified in the pre-revised SOR has been tabulated for correct reference and easy understanding for the users as well as the port. MBPT had Harbour Wall Berth, BPS, BPX, ID, PD, VD and Bunders which were being utilized for general / bulk cargo handling. Princess Dock and Victoria Dock is being filled up for OCT Project. On account of this we expect re-location of activities to the other areas including that of Bunders. Further the Harbour Wall Berth construction will again destabilize the activities and shift of cargo to rest of the areas. As such bunder area is also to be used

	one statement showing the suggestions made by the departments of MBPT for amending some of the sections of the SOR has been annexed (Annexure II) to the Board note preambled to TR No. 147 of 2009, it does not offer the requisite explanations for the changes proposed in the existing SOR. MBPT may, therefore, update the comparative statement with reasons for each of the changes proposed and the additional revenue likely to accrue from such amendments for the years 2010-11 to 2012-13.	as regular berths and for maintaining certain amount of flexibility in the port operations for the proposed tariff validity period. On account of the tabulation of rates there will be no impact on revenue. On account of adopting higher wharfage for the Bunder area from the existing rate there is likelihood of some increase in the wharfage revenue. However on account of decommissioning of Princess Dock and Victoria Dock and Harbour Wall Berth there will be a loss of revenue. There are also no berth hire charges & stevedoring charges leviable at Bunder areas.
B	**Definition**	
	The existing definitions of “GRT”, “cold move” “Transhipment”, “Transhipment containers”, “Free Period”, “Shut Out container”, “Month” and “VCD” have been proposed to be changed. The need therefor may please be clarified.	GRT – The clause “In case of vessels under construction the owner shall declare the GRT assessed by Naval architect or surveyor” has been added to facilitate regulating of charges in the event of any vessel undertaking repairs in the port and thereby resulting in increase or decrease of GRT. Cold move – The physical impact of cold move is that the vessel moves without its own engine power for any reason. As such movements can take place for various reasons including vessel being moved with a lesser under keel clearance without operating the main engines. The benefit of such movement stands accrued to the vessels. Hence it is justified to levy the additional movement charges within the wider scope of the definition proposed. Transshipment – The word cargo has been added to bring clarity. Transshipment containers – The revised definition restricts the concessional tariff only to containers brought by sea, containers landed and loaded through sea. This is required, as concessional tariff if extended for movements of cargo from one port to another port by road or rail does not require the rebate. Free period – The clarity in the definition has been brought out to ensure that non-working days of the port means the three closed holidays of the port which are called non-operating days. Shut out container – The definition has been amended to bring in simplicity and clarity. Month – This has been amended as per model SOR.

		Vessel completion date – The change in the definition is to properly regulate excessive occupation of vessels at anchorages by delaying unloading of the last barge.
(ii)	Vessel completion date for vessels in the mid-stream has been proposed. The need therefor may please be explained	In order to streamline discharging of midstream cargo at berth by barges, a maximum period of two days has been given after completion of discharging of mother vessel at midstream. Mother vessels bringing large volume of import dry bulk cargo such as pulses, etc. prefer to discharge the entire quantity at outer anchorages or at BFL into barges. The barges are subsequently brought to harbour wall or any other berths in Indira Dock for discharging the cargo.
(iii).	The terms "wharfage", "sailing vessels and Country craft", "Tug" and "Ballast" have been proposed to be defined for the first time. The source of these definitions may please be furnished.	"Wharfage" - The change in definition is to bring in more clarity. "Sailing vessel and country craft" – change for clarity. "Ballast" – The definition has been made elaborate for clarity in line with shipping practice. The terms "Tug" and "Ballast" have been taken from Dictionary on Port and Shipping Terminology published in INDIAN PORTS, quarterly Journal (edition from April 1996, July 1996, October 1996 and January 1997) compiled by Indian Ports Association, New Delhi.
C.	**General Terms and Conditions**	
(i).	Port has proposed to enlarge the existing conditionalities for deciding the status of a vessel by invoking Coastal Vessels Act and Inland Vessels Act. It has also proposed to introduce under existing Section 1.2(ii) an additional clause in respect of vessels visiting the port other than for cargo operations). The necessity for enlarging the existing conditionalties and introducing a new clause may please be explained.	The objective of the coastal concession is extended by the Government for promoting coastal trade. Vessels need to visit port for bunkering, repairs, safe anchorage in foul weather, vessel in distress etc. If a vessel plying on a coastal trade comes to the port it may not have cargo operations. Hence the proposal. E.g. vessels sailing on a coastal movement from Mormugao Port Trust to Kandla Port Trust, if calls at Mumbai Port Trust for bunkering at Mumbai Port, the vessel are to be treated as foreign vessel. However, the vessel being in coastal run will have to load duty paid bunkers. TAMP may provide more clarity in the matter.
(ii).	For recovery in Indian Rupee of the dollar denominated tariff, the port has proposed to apply the TT selling rate, instead of the market buying rate, notified by the State Bank of India from time to time. It has also proposed to omit the references to RBI, Associate Banks of SBI and Public Sector Banks. It is not clear why such amendments have been proposed	

(iii).	Port has proposed to levy penal interest on delayed payments and on delayed refunds at the rate of 13.75% per annum. The rate may be reviewed on the basis of the present PLR rate of SBI.	It is proposed to levy penal interest on delayed payments and on delayed refunds at the rate of interest which will be 2% above the PLR rate of State Bank of India as on 31st March.
(iv).	MBPT has proposed to include a conditionality that interest will be calculated for the actual number of days from the date of raising the bills till the date of payment. Since the existing conditionalities in respect of raising of interest on delayed payments are unambiguous, the purpose of introducing an additional conditionality is not understood.	The amendment is to bring clarity to the fact that interest free period be 10 days irrespective of the date on which the bill is raised. This is essential as the users are expected to make payment in advance before availing the services.
(v).	A new clause has been proposed whereby the SOR will be applicable to all the areas of MBPT except in areas where estate rentals are applicable and will cover all activities carried out in these areas except for which rates are decided by Railway Board. The necessity to introduce such a clause may please be elaborated. The legal implication of inserting such a clause may be ascertained and this Authority apprised.	MBPT has got areas which are presently being defined as custom bound area, dock area, storage area adjacent to railway yards, bunder, workshop etc. The present SOR is applicable to areas, which are being identified under Appendix `G' (copy enclosed). However, MBPT also had different rates approved under general bye-law under Section 123 of MPT Act, 1963. The present proposal is to bring all areas except the areas, which are under the purview of leases and for the areas and activities for which railway board approves the rates. Hence justified. Even though there would be some revenue implication, the same cannot be assessed. However, the proposal is to bring in more transparency and simplicity in the rate structure.
8.	**Vessel Related Charges**	
(i).	Port has proposed to levy per GRT composite pilotage and towage charges on floating cranes, rig vessels, dredgers, vessels under construction and telegraph vessels vide Serial No. 1 to Section 2.2.(B). Presently, under this Section only offshore supply vessels, survey vessels and specific support vessels are included. The charges, if any, presently levied for the pilotage and towage services on floating cranes, rig vessels, dredgers, vessel under construction and telegraph vessels may be informed. The additional income likely to accrue on account of the proposed modifications may also be indicated for each of the three years 2010-11 to 2012-13.	Floating cranes, rig vessels, dredgers are presently charged as cargo vessels in absence of separate rate provided in Scale of Rate. However, these vessels are basically not cargo vessels as defined in SOR. Therefore, there was need to formulate separate rates for these categories of the vessels to avoid ambiguity. Similarly vessels under constructions are not having the proper GRT and therefore they are billed on provisional GRT and are treated as Dumb Barges not operated under self propelled engine. It is proposed to include above 4 types of vessels under the provision of miscellaneous vessels in the proposed SOR, to avoid ambiguity. No additional income is likely to accrue on account of proposed modifications.
(ii).	As per the existing note (5) below composite pilotage and	MBPT had certain areas outside the port limit at port approaches notified as landing/loading place

	towage charges the supply vessels/ tugs going to MFL / MPL (Nhava Sheva Cross Line) shall be treated as leaving Mumbai Port and going to sea and next arrival of the vessels shall be treated as fresh voyage. MBPT in the proposed SOR has deleted MFL from this note. The reasons therefor may please be elaborated.	for cargo by customs department. This area is identified as 'MFL' area (of 4 miles radius) in the pre-revised SOR. A part of this landing / loading area of 'MFL' has come within MBPT limit w.e.f. 20.10.2006 by extension of port limit. However, the rest of the area at 'MFL' for loading/landing of cargo is still outside the port limit but at port approaches. Hence the rate for services @ ₹19.50 per Tonne all inclusive cargo related charges need to be retained in the SOR.
(iii).	In the existing arrangement, the term "Port convenience" has been defined to include nine situations where charges shall not be levied for the shifting of the vessels. In the draft SOR, the Port has re-worded the existing definition which includes only six situations. MBPT to furnish adequate justification to reword the existing definition and also to confirm that even after rewording, all the situations detailed in the existing SOR are covered in the proposed SOR.	Reduction from 9 situations to 6 situations was only a consolidation and not intended for any variation from previous one. Hence we have no objection to retain existing 9 conditions.
(iv).	Port has proposed a minimum composite towage and pilotage charges of ₹ 5000/- for coastal vessels and $150 for foreign going vessels. The basis on which these rates have been arrived at may be substantiated with appropriate cost sheets. The necessity to incorporate such a conditionality may also be explained along with the revenue impact of having such a clause in the SOR.	In order to ensure safety and security of the harbour, situations have arisen where pilotage and towage services may have to be rendered to vessels having GRT less than 1000 GRT. Charges to be levied on lower GRT vessel are disproportionately lower than cost of services rendered. Hence the condition of minimum charge has been prescribed to regulate and restrict request for pilotage services.
(v).	In the proposed SOR, Section 2.3 (A) pertains to levy of charges on vessels / barges / floating cranes for arranging alongside other vessels for working of cargo (Double banking). Notes below to this section are shown as applicable to Section 2.3. Kindly confirm that the said notes pertain to Section 2.3 (A).	It is confirmed that notes below to Section 2.3(A) pertain to Section to 2.3(A).
(vi).	A new section, Section 2.3 (B), has been proposed to be introduced whereby transshipment / lighterage charges @ ₹19.50 per metric tonne shall be levied on the	The rate of ₹19.50/- per ton is the proposal put before TAMP (i.e. ₹15/- per ton + 30% = ₹ 19.50) The proposal is to levy an all inclusive cargo related charges for operations other than at notified anchorages and at port approaches (MFL) outside the port limit.

	cargo unloaded or loaded into vessels anchored at places other than the notified anchorages. The same charges shall be levied on operations done at port approaches outside the port limit also when the cargo is transmitted through Mumbai Port Trust area. The necessity to introduce such a conditionality may be elaborated. The basis on which the rate of ₹ 19.50 per metric tonne has been arrived at may also be justified with cost sheets. The additional revenue expected to be generated may be quantified.	
(vii).	Port has proposed to levy lighterage charges on mother vessels at 50% of the wharfage applicable to cargo. MBPT to justify the levy of lighterage charges at 50% of wharfage with cost details and details of the services rendered by the port for such operations which are not covered by any other charges payable under the SOR. The commodity wise quantity of lighterage cargo handled and the income under this activity generated in the last three years and the income projected for the next three years may be furnished. Also please confirm from whom the lighterage charges are proposed to be recovered (i.e. whether from the masters, owners or agents of the vessels or from the importers.)	Cargo is unloaded or loaded at port / port approaches designated and approved by Customs for such operations. As such cargo unloaded at Mumbai Port needs to be accounted, documented & to be regulated at Mumbai Port. IGM's / EGM's for cargo unloaded / loaded at MBPT need to be filed at Mumbai Port and not elsewhere. The revenue generation to the port needs to be based on volume of cargo handled. The cost details thereof is felt not relevant as rates are to be fixed for opportunity lost which is an accepted principle for tariff fixation. Lighterage rates are approved by TAMP at Vadinar Port for lighterage operations per tonne of oil cargo. Anchorages are the places where cargo is allowed to loading/landing at a port to a daughter vessel, pier platform, etc. as such operations at anchorages are like that of berth at shore. Anchorage allocations are done at OG meeting along with shore berth by applying same principles of berth operation. As such charge on cargo proposed is in order. Predominantly unloading of cargo is done by ship derrick to daughter vessel/barges etc. As such the vessel in any case is incurring cost upto shipping / landing of cargo. It may not be appropriate to generally conclude that it is the responsibility of carrier to deliver the cargo at the port in a dynamic scenario of contracts of total logistics. The proposal to charge rate per MT of cargo is proposed for better transparency and regulatory function of the port with reference to discharge delivery of cargo. As per our understanding various contracts in shipping do exist for delivery of cargo / handling of cargo etc. between the ship and cargo interest. As such rates are also understood to have been for entire logistics chain. Hence also it is suggested that port need to go for tariff looking at port operations, transparency and prevention of revenue leakage. MBPT has proposed cargo related charges for the discharge of cargo at anchorages. This has been

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<tr><td></td><td></td><td>proposed at the level of 50% of the normal wharfage. We are not maintaining a separate record of coastal and foreign cargo at anchorages. The overall cargo throughput of MBPT consists of approximately 30% coastal and 70% foreign cargo. The anchorages are considered to be berths at the mid stream. As per clause (a) of section 7 of the Customs Act, the port and airport appointed by central government in official gazette shall alone the custom ports. As such for the cargo landed at Mumbai Port and port approaches are the customs notified landing / loading places. As such it is essential for lighterage cargo to file an EGM/IGM at Mumbai Port. Port is defined to ensure that the incoming and outgoing cargoes are accounted properly for regulative purposes also. Hence also the proposition to impose lighterage charges per ton of cargo is justified. The TAMP has approved lighterage charge per ton of cargo for lighterage operations at Vadinar Port. Hence there is precedence also.

The commodity wise quantity of lighterage cargo handled for 3 years is furnished.

The income generated in the last three years is as follows.

<table><tr><td>YEAR</td><td>INCOME (₹ in crores)</td></tr><tr><td>2007-08</td><td>6.16</td></tr><tr><td>2008-09</td><td>8.99</td></tr><tr><td>2009-10</td><td>9.92</td></tr></table>
The additional revenue expected out of this change is approximately ₹5 crores per annum next 3 years. In the pre revised SOR there were charges for lighterage & anchorage whereas in the proposed SOR the same is made cargo related charges.</td></tr>
<tr><td>(viii).</td><td>In the Section pertaining to hire of tank barges for discharge of ballast water containing oil, MBPT has proposed to delete the words “in terms of clause 53 of Mumbai Port Rules”. Necessary explanation for deletion of these words, with an extract of the relevant rule mentioned herein may please be furnished.</td><td>The existing description of charge under section 2.6 pertaining to hire of Tank barges for discharge of ballast water containing oil, including the words “in terms of clause 53 of Mumbai Port Rules” may be retained in the proposed SOR.</td></tr>
<tr><td>(ix).</td><td>As per the existing SOR, the stand-by charges leviable for the fire service are for the first eight hours or part thereof and 12.5 % of the charges prescribed for first eight hours will be levied for each subsequent hour or part thereof. Further, in case more than one operation is carried out in a calendar day, the</td><td>The Port Fire Service has rendered the services on 11 occasions during the period of 1.04.2009 to 31.3.2010 and working period of each occasion was not more than 8 hours. In order to simplify the conditions related to stand by charges, unit of charge was converted into per 8 hours thereby simplifying the MBPT fire service stand by charges.</td></tr>
</table>

	charges levied will be after considering all the operations on a continual basis taking into account the total number of actual working hours in each operation. In the draft SOR, while retaining the unit of levy as eight hours or part thereof, MBPT has proposed to delete the hourly levy @ 12.5% of the charges prescribed for the first eight hours (i) in case the service is rendered beyond eight hours and (ii) to consider all the operation on a continual basis. The revenue impact due to the proposed amendment to the Section may please be quantified for each of the three years 2010-11 to 2012-13.	
(x).	The proposed license fees for special pilots, licensed master of coastal vessels, barges, tugs etc and fee for issue of duplicate license are more than 30% of the existing charges. The Port is requested to justify its proposal.	Considering administrative expenses and stationery charges involved, the proposed increase is justified.
(xi).	In the proposed SOR, the existing section of "license fee to harbour crafts" has been renamed as 'license fees for water conveyance for harbour crafts'. The port has proposed to include under this Section the license fees levied on vessels registered and using the bunders. In this Schedule, port has also proposed to include tugs. The revenue impact due to this addition for the ensuing three years may please be quantified alongwith working sheets.	Licence fee for Harbour crafts has been renamed as Licence fees for water conveyance for harbour crafts. It is proposed to include Tug in the table to avoid ambiguity. There are approximately 40 Tugs registered and are paying licence fees for water conveyance. There will be no additional revenue on account of the change.
(xii)	MBPT to furnish the basis on which the minimum GRT for computing license fees for water conveyance has been proposed as 10 GRT vide Note 2 below the proposed Section "license fees for water conveyance for harbour craft". The minimum GRT, if any, presently in force for computing the license fees may be informed.	There are many small crafts whose GRT is as low as 1 ton and these crafts operate only on fair weather season i.e. for 8 months. With the present tariff (@ ₹27/- per month), the water conveyance charge per month is ₹27/- or ₹216/- per year for the vessel of 1 GRT. Needless to say that stationery and man hours utilised are same for a vessel of higher tonnage too. Hence, now it is proposed to charge for a minimum 10 GRT.
(xiii).	The newly proposed Notes 8, 9 and 10 below Section 2.10.II "License fees for water conveyance for harbour crafts"	The proposed Notes 8, 9 & 10 below 2.10 -(II) already exist at Bunder Scale of Rates as note 3, 4 & 5 below 6.1(A). Therefore, same are retained in proposed SOR.

	are administrative in nature. MBPT is requested to reconsider whether these requirements could be met with by issuance of trade circulars as no tariff implication is involved therein.	
(xiv).	The port has proposed a new levy “License fee for supply of fresh water” co-related to the number of barges owned by the water supplier. The rates proposed are ₹ 1000 per annum per firm upto two barges and ₹ 5000/- per barge per annum for additional barges. MBPT to justify the proposal alongwith the details of services provided by the port to the water suppliers. The basis on which these rates have been arrived at may also be furnished with cost details. The revenue impact due to the proposed amendment may be quantified and the additional revenue that is expected to be generated by the amendment during the ensuing three years may be furnished.	The operators are using Board's premises to carryout this business and licence is issued to them. It is, therefore, proposed to collect licence fees. Port provides berths to water supply barges/ boats for intake of water. Also these are the measures to regulate the activities in the Port premises. Presently, 4 suppliers are engaged for water supply through barges. Additional revenue expected to be generated is negligible.
(xv)	The port has proposed to introduce new levies ranging from ₹200 to ₹1500 per license as under: Issue of license, renewal/ issue of duplicate license, Amendment in license due to change in ownership / addition of name / change from one harbour to another harbour etc., Penalty for delayed renewal and Permission for harbour cruise party. The basis of arriving at the proposed rates for the above mentioned miscellaneous services may be furnished with cost details. Also indicate the additional revenue likely to accrue from each of the above tariff items for the years 2010-11 to 2012-13.	A separate licence for harbour crafts is issued which involves administrative expenses and stationery charges. It is observed that user’s licence is lost or they submit the licence for renewal in torn / in spoiled condition. If charges are levied for issue of duplicate licence, the users will take proper care of it. Amendment in licence due to change in ownership / addition of name involves lot of clerical work. Hence proposed charges are justified. This measure is to encourage timely renewal of licences and recovery of water conveyance charges also to regularise traffic in the Port to avoid unauthorized maneuvering and carrying out unauthorised business in the Port. On an average, there are about 10 cruise parties conducted in a month during 8 months from October to May. As the passenger boats are licensed to ferry passengers, the cruise party is an additional activity carried out by the boat owners. Approximately income of ₹1,00,000/- is likely to be generated.

(xvi).	The Port has proposed to levy license fee on pleasure craft / luxury yacht ranging from ₹9000 per month to ₹60000 per month depending on the GRT and length of the craft. The basis of arriving at the proposed rates may be furnished with cost sheets along with the details of services rendered by the port to such craft/yacht. Also indicate the additional revenue likely to accrue from this levy for the years 2010 – 2011 to 2012-13.	The proposed levy of licence fee on pleasure craft / luxury yacht is on per annum basis based on length of a vessel & not on monthly basis. Since the users are high income group individuals or Corporates, it is justified to charge license fee at a different rate than ordinary passenger boats, which are used by the general Public. The rates proposed for licence fees for Pleasure crafts / Luxury Yachts are in order and justified. Based on the data of pleasure yachts and revenue received from them in financial year 2009-10 and comparing it with the proposed rate an amount of ₹ 7,28,000/- approximately is expected to be generated every year.
	(a) The Port has proposed to discontinue the differential levy of anchorage fees depending upon the place of anchorage and has proposed a common rate for all vessels and propelled barges anchored within the port limits. While proposing so, the port has applied the base rate applicable for the first 30 days at the highest rate presently available in the schedule whereby the lower rate available for few anchorage points have been done away with. The revenue impact of the proposed amendment may please be furnished while justifying the proposal.	The existing system for levy of charges and permission to undertake cargo operation within the port limit is at specified anchorage points notified wherein vessels can anchor and do landing and loading operation. Differential rates have been prescribed for different areas as the facilities available are also different. However, revenue implication of the activity depends on the productivity in landing and loading operations. In order to have simplified tariff structure and better control and by considering the fact that the areas within the port limit are custom bound areas for landing and loading of cargo, a common rates has been proposed. The element of anchorage charges is 0.47% of the total operating revenue of the port. The variation between the lowest anchorage rate and the highest anchorage rate is 100%. Further the work of deepening and widening of the main channel and creation of anchorages etc is being taken up. Hence the availability of anchorages are going to be restricted forcing the port to find alternative locations for the operations. Hence also a uniform rate and a wider scope for the locations is proposed for the tariff validity period.
	(b) As per the existing note 6 appearing below the Schedule of Anchorage fees, no anchorage fees will be charged to the vessel / ships at MFL area. MBPT has proposed to delete the existing note 6. The reason therefor may please be elucidated.	Port reserves its rights to charge rates at Port Approaches.
	(c) Presently specific anchorage points are mentioned in the schedule of anchorage charges. Port has proposed to replace them with “anchorage points as notified from time to time”. If this condition is to be accepted, then zoning of anchorages should be done and rates for each zone is to be prescribed.	It is clarified that the anchorage charges will be leviable when a vessel is anchored at the area within the port limits. For operations outside the port limit and port approaches we have proposed a separate item for composite cargo related charges for such operations.

	Port is advised to include in the schedule all the anchorage points presently shown therein and the points, if any, available after the port limits were extended.	
	(d) MBPT to clarify the criteria followed for declaring a location within its waters as anchorage points and the facilities and services provided thereat by the Port.	The criterion for identification and declaration of area for anchorages is water depth, availability of approach to the anchorage point, tranquility, waves, weather conditions, current, etc. This will be looked into for different types of operations and size of vessels depending upon the requirement. This flexibility is essential as explained earlier with respect to taking up of the deepening and widening of the main channel, closure of P&V Docks and construction of harbour wall berth.
(xvii)	MBPT has not explained why in the proposed SOR, the existing note 1 appearing below the Schedule of Port Dues has been omitted.	Existing note 1 appearing below the Schedule of Port Dues has been omitted as same is duplication.
(xviii).	MBPT to explain how the provisions of the existing note 8 below the Schedule of Port Dues are correctly captured in the proposed tabular form of presentation.	Provisions of the existing note 8 below the schedule of Port Dues are covered in proposed SOR as follows. (a). First condition covered at Sl. No. 5 of 2.1.2, i.e. - vessel visiting JNPT, if for any reason the same vessel visit MBPT, concession of 50% of the rates will be given. (b). Second condition covered at Sl. No. 7 of 2.1.2, i.e. - vessels plying between MBPT and JNPT for carriage of cargo no concession will be given. (c). Third condition covered at Sl. No. 3 of notes to section 2.1.1 and 2.1.2, with the following proposed modification as "Vessels paying full port dues at the MBPT need not pay 50% of the MBPT Port dues at the JNPT".
(xix).	The necessity to introduce a new conditionality "Port dues shall be applicable as coastal or foreign going as per the status of the vessel at the time of entry into the port", as an additional note below the port dues schedule of the proposed SOR may be explained since the relevant provision is available as a general condition.	A new conditionality at note 1, below Port dues schedule is introduced to have more clarity.
(xx).	Many of the existing notes incorporated under the section port dues have been deleted and included as table form in the proposed SOR. MBPT to confirm that while doing so, except for the 30% rate increase proposed, the other conditionalities have not been altered.	It is confirmed that existing conditionalities in the notes incorporated under the section port dues are unaltered except the percentage of rates.

(xxi).	For levy of pier dues at Jawahar Deep and Pir Pau, the port has re-worded the group of craft from “on every boat, barge or country craft (not square rigged)” to “on every boat, barge and craft (not square rigged)”. The reason for proposing the term “craft” instead of the existing term “country craft” may please be explained.	The word “country craft” has not been excluded.
(xxii).	Port has proposed to delete the existing note 1 (ii) “the term vessel will include the boats, barges and craft of GRT of 1000 and above” appearing below the composite berth hire charge. The reasons therefor may be explained and the impact may be analysed.	The existing note 1(ii) “the term vessel will include the boats, barges and craft of GRT of 1000 and above” appearing below the composite berth hire charge to be retained.
(xxiii)	Many of the existing notes incorporated under the section Composite Berth Hire Charges and Pier Dues have been deleted and included as table form in the proposed SOR. MBPT to confirm that while doing so, except for the 30% rate increase proposed, the other conditionalities have not been altered	Following changes have been made as per Model Scale of Rates. (i). Our Note 2(i) may be read as below: “The berth hire / pier dues shall be leviable from the time a vessel in “all fast” till “Cast off” (ii). Our Note 2(v) may be read as below: “The time limit of four hours prescribed for cessation of berth hire/pier dues shall exclude the ship’s waiting period for want of favourable tidal conditions on account of inclement weather or due to absence of night navigation facilitates” Our note no. V at table below 2.15 (B) may please be read as below. “No berth hire / Pier dues shall be levied for the period when the vessel is idle at its berth due to breakdown of port equipment or power failure or any other reasons attributable to the port.”
(xxiv).	Port in the Schedule of onboard stevedoring service has expanded the commodity “vehicle” by including therein bull dozers, forklifts, tractors, crane etc. The reason therefor may be elaborated.	As per the definition under Section 1(10)(A) of Docks Bye Law, “Vehicle” includes any cart, carriage, lorry, truck and other wheel contrivance used for transportation by road by human being or by property. In the schedule of onboard stevedoring services “bull dozers, forklifts, tractors crane etc.” are included in commodity “vehicle” to have better clarity.
(xxv).	In the schedule of onboard stevedoring service, the commodity oil cake in bulk has been clubbed with dry bulk and others. The necessity to this regrouping may please be explained.	The method of working for loading of oilcake in bulk is that bags of oilcakes are brought on board the vessel and thereafter the same are cut and bled in the hatch of the vessel and then the cargo is trimmed, whenever required and for this vessel operation 3 on board gangs are required to be deployed per hook, i.e. 1 regular gang for

		hooking/unhooking, 1 gang for bleeding of bags and 1 GPM gang for cutting and trimming, whenever required + 2 GPMs per hatch for collecting loose bags. Therefore, for handling oilcake in bulk separate stevedoring rate has been prescribed in the SOR, i.e. ₹ 57.50 per tonne. As there was steep decline in the export volume of oilcake at Mumbai Port, with a view to reducing the cost of handling and thereby attracting traffic of oilcake, by TR.No.155 of 26.9.2008 and TR.No.135 of 22.9.2009, sanction was accorded to grant concession of 40% in the stevedoring rates for oilcake export in bulk. Treating the difference as remitted under Section 53 of the MPT Act, 1963, the concessional charge was ₹ 94.50 per tonne as against ₹ 157.50 per tonne in the SOR. Inspite of Port having taken proactive measures to attract this cargo by extending the benefits of concessional stevedoring charges, pre-shipment facilities for a storage of export cargo and good infrastructure at Grain Depot in the form of rail siding, it is observed that Port was witnessing a steep decline in traffic of oilcake export because of better cost effective facilities available at other Ports. As the oilcake is low value cargo, cost difference plays a major role for the exporter in deciding the Port through which he wants to route this cargo. Hence, irrespective of the handling cost, the commodity of oilcake in bulk has been clubbed with dry bulk and others.
(xxvi).	MBPT has proposed to levy additional berth hire charges at 150 percent of normal berth hire charges from the 11th day to 20th day of occupation of berth and at 200% after 21st day on vessels berthing at certain berths for other than cargo operations. The rationale of proposing this rate may be justified. The basis of proposing the penal charges at 150 percent and 200 per cent of the normal berth hire charges may be explained. The revenue impact of the proposal also may be quantified.	As regards the justification for increase in the berth hire charges for repair vessels, it is to be stated that commercial dock berths are essentially for cargo vessels. The hike in the berth hire charges is, therefore, justifiable in as much as the vessels occupy crucial berths which at times necessitate shifting of other vessels from one berth to another berth. Further it is observed that vessels carrying out repairs which avail of Dry Dock facilities, the tariff for which is quite high. Almost, similar nature of work many a times carried out in the Wet Docks just because there is no time slot available in the Dry Dock as also the Dry Dock tariff is very high. Repair vessels once occupying the berth cannot be shifted to any other berth. The stay of vessels carrying out repairs at the wet docks needs to be regulated. It is, therefore, necessary that tariff for vessels calling at Port for other than cargo operations should be increased progressively beyond certain period.
(xxvii)	New commodities / services viz. “Metal scraps”, “manual handling without gear” and “mechanical handling” have been added in the Schedule of charges for providing onboard stevedoring services. The	Vessels carrying imports of metallic scrap were being regularly handled in Mumbai Port in large quantity till 1997-1998. Traffic of import bulk metallic scrap was about 1.2 lakh tonnes in the year 1997-98, which dropped down to about 20,000 tonnes in the year 1998-99 and remained in similar range till the year 2000-2001. Thereafter, no vessel

	proposed rates for these commodities / activities may be justified with cost sheets. The financial impact also may be worked out.	of bulk metallic scrap was handled in the Port. Pursuant to taking over of stevedoring activities departmentally by the MBPT w.e.f. 1.11.2002, rates for providing stevedoring services for handling different types of commodities have been approved by TAMP vide its order dated 29.10.2002 effective from 1.11.2002. In the same order, TAMP had accorded adhoc approval to rates for a period of 3 months w.e.f. 1.11.2002, for providing stevedoring services, in which for handling scrap, the rates were prescribed at ₹ 110 per tonne for mechanical handling and ₹ 185/- per tonne for manual handling, with rebate for vessel agents using their own gear prescribed at ₹ 10/- for manual handling and ₹ 15/- for mechanical handling. Rates for providing stevedoring services for handling different types of commodities have been approved by TAMP vide its order dated 10.9.2003, which was effective from 1.10.2003 to 30.12.2006. However, no rates have been prescribed for handling metal scrap in the said order and onwards. Stevedoring rates were automatically enhanced by 5% w.e.f. 1.10.2004. Further, the stevedoring rates have been increased by 25% in the SOR approved by TAMP from 31.12.2006 to 31.3.2009 and in the subject proposal by 30%. Thus, if the same yardstick is applied, stevedoring charges for handling scrap mechanically works out to ₹187/- per tonne and ₹316/- per tonne for manual handling (without gear). Metal scrap is not being handled at this port for the last 10 years or so. Metal Scrap was last handled in the year 2000-01.
(xxviii).	Port has proposed to introduce a conditionality below the schedule of charges for providing onboard stevedoring stating that stevedoring rates are not applicable for cargo handled at bunders. Port to clarify whether onboard labour will be provided at the bunders.	No labour is provided by MBPT for handling of cargoes at Bunders.
(xxix).	(a) In the existing arrangement, the charges specified in the dry dock schedule will include the charges for services such as draining / flooding of the dry dock, divers' services, cranage, removal and replacement of damaged keel blocks, other ship repair facilities etc. For second time draining/ flooding of dry dock for the same vessel the port has proposed to levy fifty percent of the charges leviable for docking and undocking. The revenue implication thereof for the ensuing three	Taking financial year 2009-10 as a base where 2 vessels were required second time draining & flooding and comparing it with the proposed levy an additional amount of ₹4,20,000/- was generated. [Details of vessels which required second time draining & flooding at Huges Dry Dock in the financial year 2009-10 are given by MBPT].

	years may please be worked out and intimated to this Authority.	
	(b) The Port has proposed to incorporate a note in the dry dock section to the effect that foreign going vessel of foreign flag and Indian flag possessing a valid coastal conversion certificate issued by Customs will be treated as coastal for levy of dry dock charges. Since clause 1.2 (i) of the general terms and conditions under Chapter 1 amply clarifies how to classify a vessel as "Coastal" or "Foreign going" it is not understood why a separate note in this respect needs to be provided for levy of the dry dock charges.	A separate note at Sl. No.14 in the dry dock section has been proposed to be incorporated to have clarity.
	(c) The cancellation fee of US $ 57.50 vide note 5 below the Schedule of dry docking is proposed to be increased to $ 200, which is much more than the stated across the board increase in rate by 30%. MBPT is requested to justify the proposal with cost sheets. The additional revenue that will be generated by the proposed amendment during the ensuing three years may please be quantified and communicated.	Cancellation fees are a deterrent charge. However, considering the financial year 2009-10, where 3 coastal vessel were levied cancellation charges, an amount of ₹ 26,500/- was generated.
	(d) The conditionalities stipulated as per the existing note 13 below the dry dock schedule for computing the period of occupation of the dry dock has been proposed to be altered in the draft SOR. The additional revenue likely to accrue during the ensuing three years from the proposed amendment may please be quantified.	The conditionalities stipulated as per the existing note 13 below the dry dock schedule has been proposed to be altered in the draft SOR to be firm and to avoid undue advantages to trade. There will be no additional revenue.
9.	**Cargo Related Charges**	
(i)	(a) As per the existing SOR, the charges leviable under Chapter III ibid are on the traffic dealt with in the relevant areas specified in Appendix "G" to the MBPT Docks Bye-Laws. MBPT has proposed to reword this as "traffic dealt within the Mumbai Port Trust operational areas" MBPT to elaborate why this	The proposal is that the scale of rates be made applicable in respect of all the areas of MBPT except in the areas where Estate lease Rentals are applicable and activities for which rates are decided by Railway board. The proposal is to widen the scope of SOR and to have better transparency. Incidentally the land policy approved by the Government of India and notified on 13.01.2011 also calls for approval of

	change has been proposed. MBPT also to clarify whether it has got the operational areas redefined and incorporated it in the relevant appendix of MBPT Docks Bye-Laws.	rates by TAMP. The areas governed by tariff fixed by Railway Board and covered under Estate leases need to be identified.
	(b) Wharfage charge may be proposed based on the cost of handling and special care required to be taken while handling and storage of cargo as prescribed in clause 4.2.2 of the Revised Tariff Guidelines. A brief note may be furnished explaining how the proposed wharfage schedule satisfies the stipulations of the revised tariff guidelines.	It is confirmed that wharfage charges proposed are based on cost of handling and special care required to be taken while handling and storage of cargo in terms of clause 4.2.2 of revised Tariff guidelines. It is a fact that guideline no. 4.2.2 calls for removal of advalorem over a period of 5 years. However, this could not be done as there is residual cargo like motor vehicle, bull dozers, Plant and Machinery etc. Similarly Mumbai Port had handled project cargo, which is generally discouraged by many ports on account of lower productivity and difficulty in movement and handling of cargo etc. As such we propose to retain the advalorem rates for the present tariff validity period. The wharfage collected on advalorem tariff works out to 7.78% of total operating revenue. As Regards Motor Vehicles it is to be stated that the value of the motor vehicles varies.
	(c) MBPT had been requested in the past to prescribe, based on the experiences gained, unit based wharfage rate for different categories of Motor Vehicles since as per clause 4.2.2 of the revised tariff guidelines, ad-valorem wharfage rates have to be phased out. Despite this, in the proposed SOR, MBPT has retained the levy of wharfage on ad-valorem basis on Motor Vehicles and on all items other than those specified in the wharfage schedule without assigning any reasons.	As above
	(d) Under the commodity vehicles, MBPT has proposed to include bull dozers forklifts etc. The reasons therefor may be elaborated. Port may also state the wharfage charges being levied on bull dozers for forklifts etc in the existing arrangement.	As per the definition under Section 1(10)(A) of Docks Bye Law, “Vehicle” includes any cart, carriage, lorry, truck and other wheel contrivance used for transportation by road by human being or by property. Presently, the Wharfage charges on bulldozers, forklifts, etc. are recovered by categorizing them under machinery and project cargo. Since these equipments can be moved on wheels like any other vehicles, the Wharfage charges to be levied on such cargo are proposed to be included under the category of motor vehicles.
	(e) New rates for thermal coal, iron ore and iron ore pellets have been proposed to be included in the wharfage schedule. The proposed rates to be justified with cost details. The additional revenue likely to be generated in view of	No rates have been proposed for thermal coal, iron ore and iron ore pallets in the wharfage schedule

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<td>introducing these rates for each of the three years 2009-10 to 2011-12 may be furnished.</td>
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<td></td>
<td>(f) On cargo discharged overside, the Port has proposed to levy 50% of normal wharfage charges. As per para 7 (B) (viii) of this Authority’s Order dated 30 September 2008 in Case No TAMP/51/2007 – MBPT, the Port was advised to propose appropriate charges for overside discharge of cargo with supporting cost details at the time of its general rate revision. This Authority passed the said Order as the Port’s earlier proposal to recover 50% of wharfage on the cargo handled overside was not supported with any cost statement. Even in the present proposal, the MBPT has not submitted any supporting cost details while proposing the levy at 50% of the normal wharfage charges. MBPT to furnish the requisite cost details and the revenue implications of the proposed levy.</td>
<td>(f) It has been proposed to levy 50% of normal wharfage charges for the cargo handled over-side for the following reasons:

(i) Project cargo (ODC’s) involves specialised handling and supervision;

(ii) Vessels carrying project cargo at times needs specific berths such as corner berths etc.

(iii) Sometimes double banking of vessels/barges are required for handling packages to and from over-side;

(iv) Sometimes shifting/turning around of vessel is also required from the stability point of view;

(vi) Such unique facility for handling project cargo in sheltered water is available at the Port of Mumbai only and, therefore, it has become a preferred Port for handling project cargo.

During the last two years, substantial cargo has been handled over-side, the details of which are as under:

<table>
<tr><td>Period</td><td colspan="2">Import</td><td colspan="2">Export</td></tr>
<tr><td>2009-10</td><td>Packages 89</td><td>Tonnes 5127</td><td>Packages 193</td><td>Tonnes 16866</td></tr>
<tr><td>2010-11 (till Nov)</td><td>264</td><td>6422</td><td>46</td><td>4610</td></tr>
</table>
Therefore, it is necessary to levy the proposed wharfage charges. Cost details in respect of cargo discharged/loaded to and from overside are not available. However, it is pertinent to note that fixed cost i.e. MBPT's infrastructure of dock basin etc. is being used for the purpose. Kindly also note that the service “General cargo handled at Docks” is in deficit. It is to be stated that prior to rationalisation of scale of rates, there was a provision for recovery of 50% wharfage in respect of cargo handled overside. This provision was deleted from the Docks Scale of Rates. Now, there is a need to re-look into this provision especially in view of more and more project consignments being handled at the Port to and from overside. Further, the berths are kept vacant for movements of vessels discharging overside resulting in loss of wharfage to the Port. Moreover, such a provision also exists in the tariff applied by other ports which in principle recovers wharfage in respect of cargo entering and exiting the port by any mode viz., rail, road or waterways. MBPT cannot have separate yardsticks for similar cargo and similar operations. MBPT is</td>
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<tr><td></td><td></td><td>losing revenue as there is no wharfage prescribed for overside handling, it is requested that Mumbai Port be allowed to have separate rate for overside discharge @ 50% of wharfage rate applicable. Such rates are approved by TAMP for other ports.</td></tr>
<tr><td></td><td>(g) New rates for chemicals (viz. Ammonia, EDC, Ethyle, Benzene, Paraxiline, MEG, N Parafin and orthoxylene) at ₹ 26.40 per tonne for foreign and ₹ 15.85 per tonne for coastal have been proposed to be introduced. The proposed rates may be justified with cost details. The additional revenue likely to be generated in view of introducing these rates for each of the three years 2009-10 to 2011-12 may be furnished.</td><td>Existing rates for Chemicals in table of wharfage charges leviable at JD and Pir Pau have been increased by 30% and proposed at 3.1(A) as all wharfage rates are brought under one schedule. Rates for chemicals (viz. Ammonia, EDC, Ethyle, Benzen, Praxilin, MEG, N Parafin and orthoxylene) have been proposed at ₹ 114.40 per tonne for foreign and ₹ 68.64 for coastal.

[Port has not furnished financial implications)</td></tr>
<tr><td></td><td>(h) In the existing arrangement, hazardous cargo handled at bunders is subject to the levy of ₹ 20 per tonne per day. MBPT has proposed the rates of ₹ 114.40 and ₹ 68.64 per tonne respectively as “foreign” and “coastal” for this cargo in the wharfage schedule. It is not clear how these rates have been arrived at since they exceed the slated rate increase at 30% proposed by the port.</td><td>MBPT has proposed the rates of ₹114.40 and ₹68.64 per tonne respectively as foreign and coastal for the hazardous cargo in the wharfage schedule to bring hazardous cargo on par with Chemicals such as Ammonia, EDC, Benzine, Paraxylens Etc.</td></tr>
<tr><td></td><td>(i) The necessity to introduce a clause stating that for recovery of wharfage on empty SOC unit, tare weight of 20’ container will be considered as 2.3 M.T, 40’ container as 4 M.T and 45’ container as 4.5 M.T may be explained. The port has also proposed to recover demurrage on such units. The present practice of levying wharfage and demurrage charges on such units may please be communicated. The revenue impact during the ensuing three years due to the introduction of these clauses may also be informed.</td><td>There is no provision in the existing SOR for recovery of Wharfage and Demurrage on Shipper's Own Container (SOC). As per the existing practice, SOC container is treated as an empty steel unit and charges are recovered on tare weight of 20' container as 2.3 MT, 40' container as 4.6 MT. The traffic of SOC containers is as under:

<table>
<tr><td colspan="6">01-04-2009 to 31-03-2010</td><td colspan="6">01-04-2010 to 30-11-2010</td></tr>
<tr><td colspan="3">Import</td><td colspan="3">Export</td><td colspan="3">Import</td><td colspan="3">Export</td></tr>
<tr><td>20’</td><td>40’</td><td>Tot TEU</td><td>20’</td><td>40’</td><td>Tot TEU</td><td>20’</td><td>40’</td><td>Tot TEU</td><td>20’</td><td>40’</td><td>Tot TEU</td></tr>
<tr><td>130</td><td>58</td><td>246</td><td colspan="3">NIL</td><td>64</td><td>168</td><td>400</td><td>--</td><td>4</td><td>8</td></tr>
</table></td></tr>
<tr><td></td><td>(j) Port has proposed some amendments to the existing note 2 appearing below the wharfage schedule. The need therefor may be elaborated.</td><td>The practice of submission of application-cum-bill has since been discontinued and hence amendment has been proposed to indicate the current practice.</td></tr>
</table>

	(k) Port has proposed to induct a clause to levy import wharfage and demurrage till the date of shipment / stuffing and thereafter levy export wharfage on re-export cargo. The provision regarding "re-export cargo" may be clarified. Also state the present practice of levying charges on such cargo. The additional revenue that is expected to be generated from this levy during the ensuing three years may please be quantified and communicated.	There is no provision in SOR for recovery of charges on re-export of cargo i.e. cargo imported, not cleared and exported by the importer under Shipping Bill with Customs permission. As per the existing practice, import wharfage and demurrage till the date of shipment/ stuffing and also export wharfage is recovered. Since the cases of re-export are negligible, exact revenue impact for ensuing 3 years may not be taken into account.
	(l) Port has proposed to introduce a new clause stating that no wharfage will be recovered at fish jetties of Sassoon dock and new ferry wharf. MBPT to state the existing arrangements in this regard. The revenue impact of introducing such a clause may be quantified.	Presently, for the fish handled at fishing jetties of Sassoon Dock and Ferry Wharf, no wharfage is recovered. The clause has been proposed to be included for the sake of clarity and transparency.
	(m) The necessity to introduce a new commodity group "hazardous cargo not covered under any of the above items" in the wharfage schedule may be elaborated. The rates of ` 32.50 per tonne for foreign and ` 19.50 per tonne for coastal cargoes proposed in this regard may be substantiated with cost sheets.	New commodity group "hazardous cargo not covered under any of the above items" in the wharfage schedule at the rates of ₹ 114.40 and ₹ 68.64 per tonne respectively as foreign and coastal is introduced to take care of all other hazardous cargo not covered in the schedule.
(ii).	(a) As per Form 5 (A) (iii) submitted by MBPT, the activity Uncleared Warehouse all along shows a surplus. The proposal to revise the rates upwards by 30% may please be justified.	Demurrage is a charge which is deterrent for accumulation of cargo within the port which affects productivity and movement of cargo. As such the activity is expected to have surplus. If the trade is efficient the revenue from this activity can come down. Since the charge is only a deterrent, assessment of surplus and deficit may not be relevant.
	(b) Port has proposed to introduce a new clause stating that no demurrage will be recovered at fish jetties of Sassoon dock and new ferry wharf. MBPT to state the existing arrangements in this regard. The revenue impact of introducing such a clause may be quantified.	Presently, for the fish handled at fishing jetties of Sassoon Dock and Ferry Wharf, no demurrage is recovered. The clause has been proposed to be included for the sake of clarity and transparency.
(iii).	(a) In the existing arrangement, seven different sub- sections have been provided for levy of license (storage fees) and	The existing conditionalities have remained unaltered.

<table>
<tr><td></td><td>warehousing. In the draft SOR proposed, Port has merged all the above mentioned seven sub-sections into two sub-sections while presenting it in a table form. While doing so, MBPT is advised to ensure that the existing conditionalities remain unaltered.</td><td></td></tr>
<tr><td></td><td>(b) The port has also introduced few new areas outside the docks proper (Sassoon Dock, Mody Bay Estate etc) and has proposed different rates both for storage of cargo and for “any other purposes with prior permission”. MBPT may ensure that the interim order of the Hon’ble Bombay High Court is kept in mind while proposing inclusion of rates for the areas falling outside the docks. MBPT to confirm that while initiating the proposal, it has adhered to the Government’s Land Policy guidelines. The basis of proposing the rates and the additional revenue likely to accrue therefrom during the ensuing three years may also be furnished.</td><td>The rates specified under clause 3.2 B of the SOR are the rates proposed by the Board to the Government of India to be approved and notified under general bye law No.9 in exercise of their powers under 123 and 124 of MPT Act vide resolution no. 49 of 2002. In addition demurrage as per normal custom bound areas is also proposed. The action on the part of MBPT is to enhance the scope of SOR approved by the TAMP.

It is clarified that all the areas of MBPT is proposed to be brought under SOR except where rates are fixed under lease rentals within the purview of estates and where the tariffs are fixed by Railway Board. The new land policy circulated by the Ministry on 13.01.2011 also indicates the same. Any amendment required based on land policy will be supplemented separately. The general revision may not be held up for the same.</td></tr>
<tr><td>(iv).</td><td>(a) In the existing arrangement, the composite charges on cargo containers handled include, interalia, the removal of container between shipside and prestack / RCD yard in docks. The purpose of deleting the words “Removal of Container between Shipside and Prestack / RCD yard in docks” from the existing note (iii) below sub-section 5 (A) and 5 (B) is not understood. If the proposed amendment has any revenue impact, the details thereof may please be provided.</td><td>The words “removal of container between shipside and prestack / RCD yard in Docks” are not deleted but included in the composite charges on cargo containers handled in the proposed SOR at note (iii) to section 3.4(a) & 3.4(b).</td></tr>
<tr><td></td><td>(b)Port has proposed to introduce a new section to levy charges at the rate of ₹1768/- on 20” ICD containers received by rail and removed by road or received by road and removed by rail and @ ₹ 2795/- on 20” ICD containers received by rail and removed</td><td>Number of ICD containers handled by MBPT received by rail/ road and removed by rail/road, during the last 4 years and the charges levied are as follows:
<table>
<tr><th>Year</th><th>TEUs</th><th>Charges Levied (₹)</th></tr>
<tr><td>2006-07</td><td>270</td><td>2,43,888</td></tr>
<tr><td>2007-08</td><td>68</td><td>44,473</td></tr>
<tr><td>2008-09</td><td>01</td><td>1,024</td></tr>
<tr><td>2009-10</td><td>01</td><td>1,105</td></tr>
</table></td></tr>
</table>

	by rail. The proposed rates may be justified with cost details for the additional services to be provided. The number of such containers handled by MBPT during the last three years and the charges levied thereon may be furnished. The additional revenue likely to accrue during the years 2009 – 2010 to 2011-12 due to the proposed amendment may be furnished.	Revenue likely to accrue on this account is very less, rather nil, however as the service, if required, is to be provided, a provision for recovery of charges is necessary to be defined in SOR. [Proposed rates are not justified with cost details]
	(c) On cargo stuffed inside the container and subsequently de-stuffed and removed back to town, the port has proposed levy of demurrage charges at the rate of ₹ 650/- per TEU per day or part thereof. Please justify the newly proposed levy with cost details. The additional revenue likely to accrue during the years 2009 – 2010 to 2011-12 due to the proposed amendment may be furnished.	Levy of demurrage charges on cargo stuffed inside the container and subsequently de-stuffed and removed back to town is not a new levy as stated by TAMP and same has already been prescribed at note 10 and note 6 below section 5(E) in the existing SOR.
	(d) On the cargo inside the container (FCL removed through private CFS vide note 9 below the existing section 5 (e), presently a consolidated charge of ₹ 2400/- (coastal ₹ 1440/-) per TEU is recoverable. In the draft SOR, the Port has not proposed any coastal rates. The reasons therefor may be furnished.	(d)On the cargo inside the container a consolidated charge of ₹1872/- per TEU for coastal cargo, is inadvertently remained to be included at note (7) under section 3.4(E). Same may please be included.
(v).	(a) In the existing arrangement under Chapter VI of the SOR, the following charges leviable at bunders have been prescribed: (1) License fees on vessels registered and vessels using bunders. (2) License fees on users and ancillary trade at new Fish Jetty and New Sassoon Fish harbour and old Sassoon dock. (3) Wharfage on cargo handled at Hay Bunder, Haji Bunder, Malet Bunder and New Ferry Wharf or other notified bunders. (4) Demurrage on cargo handled at Hay Bunder, Haji	In the proposal forwarded to TAMP on 30.10.2009, the wharfage and demurrage charges have been considered common to both at Bunders and Docks. As such the rates at Bunders on par with Docks was proposed considering the shifting of cargo from Docks to Bunders and lower revenue to port on account of zero stevedoring revenue and berth hire at Bunders. Considering the objections raised by the trade and review suggested by TAMP, it is proposed to prescribe wharfage at Bunders at 50% of the rate applicable at Docks, subject to it being not less than the pre-revised wharfage rates leviable at Bunders. During the joint hearing, Trade had strongly expressed their displeasure about the facilities provided at Bunders and the high rates proposed. TAMP insisted to give a report on the facilities at Bunders. MBPT will undertake improvement of facilities at Bunder area such as: (a) Repairs to roads. (b) Repairs to wharfage and Quay Wall (c) Dredging to the extent possible (d) Security services

	Bunder, Malet Bunder and New Ferry Wharf or other notified bunders. The Port has proposed to delete this chapter stating that the services rendered thereat have been merged in respective sections of vessel related charges and cargo related charges applicable to docks. Presently, MBPT does not provide labour at the bunders for the landing, shipping or removal of goods. The goods lying at the bunders remain at the risk of the consignee or shippers and are in their charge. These two conditions have been proposed to be retained by the port vide note 10 to the general notes to Section 3.1(b) of the proposed SOR. MBPT is, therefore, to justify its proposal to levy the dock wharfage and dock demurrage on cargo handled at bunders.	The main cargo handled at Bunder is coal, which is a hazardous cargo. Hence the hike proposed can be considered justified. The port had made a proposal before the TAMP subsequent to the forwardal of previous revision to increase the rate of wharfage on coal to ₹35/- per ton at Bunders which was rejected by TAMP. The pre-revised rate for coal is ₹48/- per ton at Docks. Thus it is proposed to reduce the wharfage rate at bunders to 50% of the rates at Dock, subject to it being not less than the pre-revised wharfage rates leviable at Bunders. With regard to the rates at Bunders we have emphasized that there is likelihood of shifting of cargo from Dock areas and harbour wall berth on account of taking up of project during the tariff validity period. There are no stevedoring rates at Bunders as also no separate berth hire charges levied for occupation at Bunders other than monthly license fees charged on the barges. In view of the above 2 factors, it was argued that there is a definite need to increase the rates of wharfage and demurrage for the goods handled at Bunders.
	(b)The charges presently levied at the bunders are generally lower than those levied at the Docks. Considering the quantum of different categories of cargoes handled at the bunders, MBPT to furnish an impact analysis statement showing the additional revenue that will be recovered by applying the wharfage and demurrage rates as applicable at docks to the cargoes that would be handled at the bunders.	There will be no additional revenue on account of merging of Bunder and Dock wharfage/demurrage scheduled.
10.	**MISCELLANEOUS**	
(i).	As per note 1 appearing below the section prescribing charges for construction and repair of vessels, vessel shall be deemed to be on a hard when she has been beached in a position approved by the port. Port has proposed to equate hard with wharf by adding the word ‘wharf’ after the word ‘hard’ in the draft SOR. The additional revenue likely to accrue due to the proposed amendment for the years 2009-10 to 2011-12 may be furnished.	Port has not proposed any change in the draft SOR submitted on 30.10.2009.

(ii)	In the existing arrangements for ship breaking, the regulated period is one month per 800 LDT. The port has proposed to increase it to 900 LDT. Port has further proposed to distinguish between vessels upto 3000 LDT and above 3000 LDT for determining the regulated period. In the existing arrangement, rebate is granted, if ship breaking is completed earlier and the rebate differs on the size of the ship i.e. upto 8000 LDT and above 8000 LDT. For availing the rebate, in the draft SOR, MBPT has proposed to increase the size of the ship to 9000 LDT and above 9000 LDT. MBPT to justify its proposal.	As per the experience, the average LDT broken of the ships at ship breaking yards is about 900 MT per month as against the present 800 MT per month indicated in the SOR as a regulated period. It is, therefore, proposed to increase the regulated period LDT to 900 MT per month. Port has not proposed to distinguish between vessels upto 3000 LDT above 3000 LDT for determining the regulated period, same is already included in table at Sr. No.3 to section 7.1 of existing SOR.
(iii).	In the charges leviable for operation of passenger boats, catamarans, hovercrafts and speedboats, presently peak hour service is from 9 a.m. to 11.30 a.m. and from 5 p.m. to 8 p.m. The port has proposed to alter the peak hours as from 8 a.m. to 12 noon and from 4 p.m. to 8 p.m. MBPT to explain the reasons for this modification.	The port has modified the peak hours.
(iv).	Port has proposed to levy ₹ 195 per 1000 litres if it supplies fresh water to vessels / barges. As per the proposal, if water is supplied by licensed agencies to vessels / barges, the rate of recovery is ₹ 39/- per 1000 litres. If the intention is to levy by MBPT some fees from the licensed agencies, it may so stated clearly. Since there appears to be some error in presentation of the proposal, MBPT is advised to make necessary correction.	Charges proposed in the draft SOR are as under: (a) Charges for supply of fresh water to vessels/barges etc. by the port. ₹195 per thousand liters (b) Charges for use of MBPT facilities from licensed agencies for supply of water to vessels/barges etc. ₹39 per thousand liters The rates are objected by the port users vehemently as the rates are high. These rates were proposed mainly for regulatory purpose. Based on serious representation by users and TAMP, it is proposed to retain the existing rate of ₹ 30/- per thousand liters for water supply from that shown at 1(b) above.
(v)	A new levy @ ₹ 60 per truck has been proposed as weighment charges. The necessity to introduce such a levy now in the SOR may be elaborated. The services, if any in this regard rendered to the trade in the existing setup and the charges recovered therefor may be informed. The revenue	Two new private weighbridges are proposed to be installed in the Docks on BOT basis for a period of 10 years. Tariff in this regard will be fixed. It is also necessary to have parity between tariffs of Port weighbridges and private weighbridges. In the absence of the same, there is a possibility of traffic getting diverted from one weighbridge to another. As far as MBPT weighbridges are concerned, the total establishment and maintenance cost annually works out to approx. ₹45 lakh, considering approx.

	impact of introduction of the new rate may be quantified.	200 vehicles weighed daily, cost per vehicle works out to be around ₹62.50 per vehicle. In view of this, it was proposed to levy ₹60/- per vehicle as weighment charges. However, Private operator, who have been awarded contract for installation of two electronic weighbridges in Docks on BOT basis has requested TAMP to approve the following rates for weighment. (i). Upto 30 tonnes: ₹60/- per vehicle (ii). Above 30 tonnes: ₹90/- per vehicle In view of above, MBPT requested to incorporate a similar provision of weighment charges (slab-wise) in the proposed revision of SOR.

6.2. The MBPT has also requested to incorporate the following in the proposed Scale of Rates:

(i). In the proposed Scale of Rates of Mumbai Port Trust, heading of Section 3.4(G) of container related charges has been inadvertently worded as,

"Charges in respect of Port Trust labour and on board stevedoring labour supplied for stuffing or destuffing of cargo containers."

The words "and on board stevedoring labour" can be cancelled from the heading of Section 3.4(G) of proposed SOR by rewording the heading as "Charges in respect of Port Trust labour supplied for stuffing or destuffing of cargo containers" as in existing SOR. It is confirmed that the charges mentioned thereunder are towards port trust labour only.

(ii). A specific provision regarding vessels pertaining to ICGS/Indian Navy was prescribed under definition of 'Coastal Vessel' in Section IV-Berth hire charges of prerevised Docks Scale of Rates. Same is reproduced as under:

"Coastal Vessel means a vessel engaged in the carriage by sea of passengers or goods from any port or place in India to any other Port or place within the union of India. Such vessels include the vessels pertaining to Coast Guard/Indian Navy".

By Order dated 9 January 2004 notified on 29th January 2004, TAMP has revised Vessel related charges and prescribed separate section of Definitions and General Terms and Conditions (including revised definition regarding Status of vessel) applicable to Scale of Rates. However, same does not include specific provision regarding treating ICGS/Indian Navy vessels as coastal vessels.

To avoid ambiguity as regards to status of ICGS/Indian Navy vessels, add a provision in the definition of coastal vessels as under"

"Coastal Vessels shall include vessels of Coast guard/Indian Navy".

7.1 A joint hearing in this case was held on 18 January 2011 at the office of this Authority. The MBPT and the concerned users have made their submissions. The MBPT made a presentation at the joint hearing.

7.2 As agreed at the joint hearing, the MBPT was advised to furnish the following:

(a). Revised and updated cost statements, including the estimates for the year 2013-14 and its response to the questionnaire already issued.

(b). MBPT to re-visit its proposal to equate the charges leviable at Bunders and Docks and send a detailed note on the steps taken to improve the facilities at bunders along with the developmental expenditure incurred in the last three years and proposed to be incurred for next three years on the various facilities at the bunders.

(c). MBPT to furnish the current status of the various capital projects and realistic date of completion of them and a note explaining how the proposed capital projects will help in creating additional capacity or reducing unit cost of handling.

(d). MBPT to re-visit the existing cut off limit for heavy lifts and also the proposed charges for shifting of vessels between different anchorages.

(e). MBPT to furnish its updated cost statements and its revised proposals by 31 January 2011 and simultaneously forward a copy to all the concerned users for their comments and the users to furnish their comments to TAMP within one week thereafter and endorse a copy to MBPT simultaneously.

7.3. MBPT responded vide its letter dated 11 April 2011. The response of the MBPT is summarized below, which is stated to have the approval of its Board of Trustees.

(i). Wharfage and demurrage at Bunders to be prescribed at 50% of the rate applicable at Docks Improvement in infrastructure based on growth of traffic at Bunders will be done.

(ii). Present surcharge on heavy lifts above 20 tons is increased to lifts above 30 tons in the Cranage charges.

(iii). In the existing SOR shifting of vessels for port convenience has been envisaged in 9 situations. On review, it is decided to continue the 9 situations for port convenience as per existing SOR under Composite Towage & Pilotage Charges.

(iv). TAMP should take a decision on levy of Port dues twice on vessels re-entering the port limits, after being moved out for reasons not attributable to the vessels, during the same voyage.

(v). To retain the existing rate of ₹30/- per thousand liters as against ₹39/- per thousand liters proposed for charges for use of MBPT facilities from licensed agencies for supply of water to vessels/barges etc.

(vi). To include Charges for Priority berthing/Anchorage, Ousting priority.

(vii). The updated cost statements including the estimates for the year 2013-14 are furnished.

(viii). Expenditure incurred in the last three years (2008-09 to 2010-11) on the various facilities at Bunder.

(ix). Current status of the various proposed capital projects. [Note on the additional capacity stated to have been furnished is not found]

8.1 Some additional details were necessary to process the proposal. MBPT was, therefore, requested to furnish the following details vide letter dated 22 July 2011. MBPT furnished the clarifications/details vide letter dated 25 August 2011. The details called for and obtained from MBPT are tabulated below:

Sl. No.	Questions raised by TAMP	Reply from MBPT
A.	**GENERAL :**	
(i).	A statement showing the actual physical	The figures projected by the Mumbai Port Trust

<table>
<tr><td></td><td>and financial results for 2006-07 to 2008-09 vis-à-vis certain projections has been furnished vide MBPT's letter No. FA/ACC/196/D/5147 dated 11 April 2011. The figures projected by the port for the comparison vis-à-vis actuals do not match with the estimated figures considered by this Authority in Order No.TAMP/57/2005-MBPT dated 28 September 2006. MBPT is, therefore, requested to furnish an analysis of variation of actual physical and financial performance for 2006-07 to 2008-09 with reference to the estimates relied upon in the tariff Order of September 2006 available at Annex-I (a) to Annex-I (e) to the said Order. Necessary adjustments in the income estimates to reflect the changes in the tariff items approved in the Order dated 28 September 2006 may however be made.</td><td>have been considered vis-à-vis actual for 2006-07 to 2008-09 in Form-7. The statements showing the figures as moderated by TAMP vis-à-vis actual for 2006-07 to 2008-09 are furnished. The various reasons on variation of actual physical and financial performance have already been replied vide letter dated 11.4.2011. Since the ROCE of 16% is not realized, the adjustment beyond (+)/(-) 20% as per guideline No.2.13 may not be applicable.</td></tr>
<tr><td>(ii).</td><td>While explaining the increase in traffic beyond 20% during 2006-07 and 2007-08, MBPT has stated that it is partly due to the inclusion of some cargo which was diverted to JNPT. As per MBPT, 5837157 tonnes of traffic was diverted to JNPT on which it has received compensation. The reasons therefor may be explained along with the year-wise breakup of this traffic and the revenue earned thereon for the years 2006-07 and 2007-08. The basis for charging compensation at the rate of ₹26.05 per tonne may be furnished. If the rate is prescribed in the existing Scale of Rates (SOR) of MBPT, the reference to the relevant provision may be furnished.</td><td>The compensation @ ₹26.05/- per tonne is recovered towards wharfage on the basis of agreement signed by ONGC and MBPT in 2005. As per the terms and conditions of agreement, ONGC shall pay to Mumbai Port compensation at one half of the wharfage rate as applicable on the per tonne of crude oil which will be imported into the Port of Mumbai through all or any of ONGC Pipelines and which will not be exported through the MBPT Marine Oil Terminal, Jawahar Dweep or through any other existing and future Oil, Gas or Chemical Terminals of the MBPT.

The traffic diverted to JNPT is accounted in total traffic handled by Port. Year wise breakup of traffic along with revenue earned are furnished below:

<table><tr><th></th><th>Tonne</th><th>₹</th></tr><tr><td>2007-08</td><td>265726</td><td>6922163</td></tr><tr><td>2008-09</td><td>2742885</td><td>71452162</td></tr><tr><td>2009-10</td><td>2828546</td><td>73683623</td></tr><tr><td>Total</td><td>5837157</td><td>152057948</td></tr></table></td></tr>
<tr><td>(iii).</td><td>MBPT has furnished the breakup of traffic through on-shore, pipeline and ONGC during 2006-07 to 2008-09 under the heads, on shore, stream cargo and the cargo handled by ONGC. MBPT to furnish such traffic details for the years 2009-10 and 2010-11 also along with year-wise revenue received on each of these cargo groups from 2006-07 to 2010-11. Also confirm that the stream cargo referred to is the cargo discharged at midstream anchorages.</td><td>The breakup of traffic through on-shore, pipeline and ONGC for the years 2006-07 to 2010-11 is furnished. It is also confirmed that the stream cargo referred to is the cargo discharged at midstream anchorages and moved to other Ports.</td></tr>
<tr><td>(iv).</td><td>(a). The updated cost statements furnished by MBPT contain actual figures for 2006-07 to 2009-10, the Revised Estimates for 2010-11, the Budget</td><td>The cost statements for the year 2010-11 are updated in respective formats and complete set of updated cost statements with actuals are furnished. Projections for the years 2011-12 to</td></tr>
</table>

	Estimates for 2011-12 and projections for 2012-13 and 2013-14. Subsequently, since the year 2010-11 is already over, the MBPT was requested to furnish the actuals for 2010-11 and also to review the estimates for 2011-12 to 2013-14 based on the 2010-11 actuals, if necessary. The MBPT in its reply has furnished only a summary of actual results for the year 2010-11 and stated that no amendments are required to the proposal. However, the actuals for the year 2010-11 in the prescribed cost statement formats are required for processing the proposal. Further, the updated cost statements furnished by MBPT do not contain Form-1, Form-3B, Form 3-C, Form-4A, Form 4-B, Form 5-A (ii) & (iv), Form 5-B (ii) & (iv), Form 5-(C) (ii), Form 5-D (ii) and Form-6 to Form-9. The MBPT is, therefore, requested to furnish a complete set of updated cost statements with actuals for 2010-11 along with a soft copy.	2013-14 have been kept same. The projections are far more than the actuals of 2010-11. The MBPT also furnished a copy of the annual accounts of BDLB for the year 2010-11.
	(b). A copy of the Audited Annual Accounts of erstwhile BDLB for the year 2010-11 (or Board approved annual accounts, if audited accounts is not ready) may also be furnished.	
(v).	MBPT has stated that looking at the factors of average time spent at berths, average turnaround time and average detention per affected ship, there is improvement in productivity levels. Further, it is stated that the port expects improvement to the tune of 2% on existing productivity levels during the tariff validity period. Port is requested to substantiate its statements with supporting figures / workings and propose benchmark productivity levels to be incorporated in the Scale of Rates.	A statement showing the average time spent at berths, average turn-round time and average detention per affected ship for the financial years 2006-07 to 2009-10 is furnished. Based on the trend and efforts expected to be taken, an average improvement to the tune of 2% on the existing level of productivity for the purpose of benchmark can be expected during the tariff validity period.
(vi).	Clause 2.6.2 of the tariff guidelines requires the port to regularly review and adjust the manning scales / datum. MBPT has confirmed that the datum for all types of cargo was last determined as back as in January 1994. Further, the port has stated that it has not identified any surplus manpower other than reduction on account of retirement. In this connection, it is seen that the MOU entered by the port with the Ministry for the year 2010-11 calls for implementation of the National Tribunal Award on manning scales and consequent measures for reduction of identified surplus manpower. Although the National Tribunal Award on manning scales has already been notified, the Port has just stated that this issue was considered by the Trustees in June 2009	The National Tribunal Award on the manning scale has not been implemented till date. As such the impact of the same can not be considered for the tariff validity period.

	and some discussions were to be held with Unions for implementation of the Award. Port to inform how this matter stands.	
(vii).	The port was requested to examine whether any of the services qualifying under Section 42(3) of the Major Port Trusts Act are offered by any service provider authorised by the port and if so to initiate action with reference to Chapter 7 of the tariff guidelines. MBPT has only stated that this point has been noted. Port is once again requested to inform whether it has authorised any agency to provide any of the services mentioned therein.	The present proposal is for fixation of tariff for services rendered by MBPT. However, during the tariff validity period, the following BOT contracts are concluded under section 42(3) of MPT Act. (a). During the year 2007 the port has signed an agreement with ICTPL on BOT basis. (b). During the year 2009 the port has signed an agreement with Buthello Travels on BOT basis.
B	**<u>FINANCIAL / COST STATEMENTS</u>** :	
I	**Traffic:**	
(i)	As per the initial proposal dated 30 October 2009 the traffic estimate for 2011-12 and 2012-13 was 56 MMT and 58 MMT respectively. The traffic considered in the port's revised proposal dated 11 April 2011 for 2011-12, 2012-13 and 2013-14 is 60 MMT, 62 MMT and 64 MMT respectively. The estimated traffic for the years 2011-12 to 2012-13, as per XI Five Year Plan are 71.05 MMT, 70.12 MMT and 72.43 MMT respectively. The port has stated that reduction in traffic as compared to the Five Year plan is due to delay in commissioning of various development projects. However, it is seen that the port has considered a uniform annual growth rate of 3% in the overall in traffic for all the three years, despite the proposals to create additional capacity of 2 MMT in 2011-12 and 7 MMT in 2012-13. The port is, therefore, requested to furnish the basis for traffic estimation considered by it for the years 2011-12 to 2013-14, indicating the growth rate considered by it on the basis of the current / expected trend as well as additional traffic projected on account of creation of additional capacity. The traffic estimates for these three years as per the Business Plan of the Port may be furnished.	It is a fact that the traffic projections for the year 2011-12, 2012-13 and 2013-14 have been expected to be 60 M MT, 62 MMT and 64 MMT as against 71.05 MMT, 70.12 MMT and 72.43 MMT as per Eleventh Five Year Plan. It may be considered that the traffic projections for the year 2010-11 as per the Five Year Plan were 65.71 MMT whereas the actuals is only 54.59 MMT. As such, it will be abnormal to assess traffic of 71.05 MMT, 70.12 MMT and 72.43 MMT for the proposed tariff validity period. The commissioning of the major projects has been delayed and the expected commissioning of the major projects is during 2012-13 and 2013-14. Further, it may kindly be noted that the traffic levels have been assumed at 14.81% above the actuals of 2010-11. In consideration of the above, the traffic projections are reasonable and justifiable.
(ii).	In para 4 (a) of its letter dated 11 April 2011 MBPT has stated that the container handled by the MBPT including ICTPL has been updated in Form 2A for the years 2008-09 and 2009-10. In para 4(b) ibid MBPT has stated that the traffic handled by ICTPL during 2008-09 and 2009-10 are not included in Form 2A. To avoid ambiguity port is requested to consider only the container traffic handled	The container traffic handled by MBPT during the years 2008-09 to 2010-11 and estimated container traffic to be handled for years 2011-12 to 2013-14 are considered in Form 2A. The container traffic expected to be handled by MBPT for the year 2011-12, 2012-13 and 2013-14 are not significant.

<table>
<tr><td></td><td>by MBPT during the years 2008-09 to 2010-11 in Form 2A.

The MBPT has projected income arising out of handling containers for the years 2011-12 to 2013-14 in Form 2B. However, it has not projected traffic in this regard in Form 2A for the respective years. The container traffic estimated to be handled by the MBPT for the years 2011-12 to 2013-14 may be considered in Form 2A.</td><td></td></tr>
<tr><td>(iii).</td><td>As per the information furnished at Sl. No.VI in Form 2A, the average time spent by a vessel at berth for the years 2010-11 to 2013-14 are uniformly considered at the same level of actual average time spent by a vessel in the year 2009-10. The port has elsewhere stated that it expects improvement to the tune of 2% on existing productivity levels during the tariff validity period particularly with reference to average turnaround time of vessels. That being so, MBPT to clarify why the average time spent by a vessel at the berth has been maintained at the same level for all the years from 2009-10 to 2013-14.</td><td>It is expected that there will be increase in average parcel size of vessel particularly considering 14.81% hike in the traffic projections as compared to the actuals of 2010-11. As such, even though there will be increase in ship berth day output, the same may not be translated with respect to average time spent at berth by the vessel.</td></tr>
<tr><td>II</td><td><u>Capacity</u> :</td><td></td></tr>
<tr><td>(i).</td><td>The MBPT has stated that it has furnished detailed workings for capacity calculation of the port as a whole and of the facilities for major commodity in Annexure-II. However, it is seen that the Annexure-II contains only a summary of commodity wise capacity of the port for the years 2006-07 to 2013-14. The port is, therefore, again requested to furnish detailed workings for designed capacity calculation, as envisaged in Note (2) of Form 2A.</td><td>The capacity has been assessed as per the traffic handled by the port from time to time and same has been informed to the ministry. As such, the major commodity-wise Port Capacity may be considered for tariff fixation.</td></tr>
<tr><td>(ii).</td><td>The port has estimated an additional capacity of 2 MMT during the year 2011-12 on account of construction of second liquid chemical / POL berth off Pir Pau Pier. However, as per the details furnished by the port in the statement of major assets to be commissioned during the tariff validity period, this project is expected to be commissioned only during the year 2012-13. Please clarify the position.</td><td>Second liquid chemical / POL berth off Pier Pau Pier is expected to be commissioned during the year 2012-13. The updated Port capacity is furnished as below.
<table>
<tr><td rowspan="2">Year</td><td colspan="3">Port capacity
(in MMT)</td></tr>
<tr><td>Capacity @</td><td>Traffic handled</td><td>Capacity utilization</td></tr>
<tr><td>2006-07</td><td>44.65</td><td>52.37</td><td>117.29</td></tr>
<tr><td>2007-08</td><td>50.70</td><td>57.04</td><td>112.50</td></tr>
<tr><td>2008-09</td><td>50.70</td><td>51.88</td><td>102.33</td></tr>
<tr><td>2009-10</td><td>47.40</td><td>54.54</td><td>115.06</td></tr>
<tr><td>2010-11</td><td>49.40</td><td>54.59</td><td>109.84</td></tr>
<tr><td>2011-12</td><td>49.40</td><td>60.00</td><td>120.72</td></tr>
<tr><td>2012-13</td><td>70.30</td><td>62.00</td><td>88.19</td></tr>
<tr><td>2013-14</td><td>70.30</td><td>64.00</td><td>91.04</td></tr>
</table>
@ without traffic of ONGC pipeline and on-shore pipe line</td></tr>
<tr><td>(iii).</td><td>The list of major assets to be commissioned during the tariff validity</td><td>The full effect of Fifth Oil Jetty to the traffic is expected only from the next tariff validity period.</td></tr>
</table>

<table>
<tr><td></td><td>period furnished by the port includes construction of fifth oil berth at Jawahar Dweep at a cost of ₹ 661.50 crores which is expected to be commissioned during the year 2013-14. This asset is stated be in replacement of the fourth oil berth at Jawahar Dweep. The capacity of the proposed fifth oil berth is estimated by the port at 18 MMT per annum. The additional capacity, if any, on account of replacement of the fourth oil berth may be furnished and considered in the designed capacity of the port for the relevant year.</td><td>The Fifth Oil Jetty is in replacement of Fourth Oil Jetty.</td></tr>
<tr><td>(iv).</td><td>The details furnished by the MBPT in Annexure-II shows that the actual capacity utilization of the port during the years 2006-07 to 2010-11, except 2008-09, is at level of 115%. In this context, it appears that the cargo passing through pipelines installed by ONGC in the MBPT limits is included in the actual / projected traffic considered in Form 2A for capacity calculation, whereas the port capacity of the MBPT considered in Form 2A does not include any facility for the cargo handled by the ONGC through the pipelines, as per details furnished in Annexure-II. That being so, the basis for considering cargo handled by ONGC in the computation of capacity utilization for all the years under consideration may be furnished.</td><td>Traffic handled by ONGC are not included in port capacity, however, it is included in the traffic handled by the port.

The traffic handled by Mumbai Port Trust through onshore pipeline and ONGC pipeline is as follows :-
<table>
<tr><th>Commodity</th><th>2006-07</th><th>2007-08</th><th>2008-09</th><th>2009-10</th><th>2010-11</th></tr>
<tr><td></td><td>Traffic</td><td>Traffic</td><td>Traffic</td><td>Traffic</td><td>Traffic</td></tr>
<tr><td></td><td>(MMT)</td><td>(MMT)</td><td>(MMT)</td><td>(MMT)</td><td>(MMT)</td></tr>
<tr><td>On-shore</td><td>0.78</td><td>3.77</td><td>3.40</td><td>3.37</td><td>3.32</td></tr>
<tr><td>ONGC</td><td>6.89</td><td>7.32</td><td>9.23</td><td>8.12</td><td>6.46</td></tr>
<tr><td>Total</td><td>7.67</td><td>11.09</td><td>12.63</td><td>11.49</td><td>9.78</td></tr>
</table>

The capacity projections have been furnished without including ONGC traffic and pipeline traffic through onshore pipelines. In case, the capacity of these 2 segments are added, the capacity utilization will be as follows:
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th colspan="5">(in MMT)</th></tr>
<tr><th></th><th></th><th>2006-07</th><th>2007-08</th><th>2008-09</th><th>2009-10</th><th>2010-11</th></tr>
<tr><td>1</td><td>POL & Chemicals</td><td>32.00</td><td>32.00</td><td>32.00</td><td>32.00</td><td>32.00</td></tr>
<tr><td></td><td>(at JD & PP)</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>2</td><td>- Indira Docks</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>Containers (ID)</td><td>3.50</td><td>3.50</td><td>3.50</td><td>1.90</td><td>1.90</td></tr>
<tr><td></td><td>General Cargo</td><td>8.15</td><td>8.20</td><td>8.20</td><td>7.35</td><td>9.80</td></tr>
<tr><td>3</td><td>- P&V Docks</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>General Cargo</td><td>1.00</td><td>1.00</td><td>1.00</td><td>0.15</td><td>0.00</td></tr>
<tr><td>4</td><td>Anchorage Berths (Mid-stream)</td><td></td><td>6.00</td><td>6.00</td><td>6.00</td><td>6.00</td></tr>
<tr><td></td><td>On-shore & ONGC Traffic Handled</td><td>7.67</td><td>11.09</td><td>12.63</td><td>11.49</td><td>9.78</td></tr>
<tr><td></td><td>Total Port Capacity</td><td>52.32</td><td>61.79</td><td>63.33</td><td>58.89</td><td>59.48</td></tr>
<tr><td></td><td>Traffic Handled</td><td>52.37</td><td>57.04</td><td>51.88</td><td>54.54</td><td>54.59</td></tr>
<tr><td></td><td>Capacity Utilised %</td><td>100.10</td><td>92.31</td><td>81.92</td><td>92.61</td><td>91.78</td></tr>
</table>

As such, it is submitted that there is no requirement of tariff adjustment on account of capacity utilization.</td></tr>
<tr><td>III</td><td><u>Income estimation</u> :</td><td></td></tr>
<tr><td>(i).</td><td>The MBPT has stated that it has furnished detailed computation of income at the existing tariff level as well as proposed tariff level in Annexure–C (IX) to its letter dated 11 April 2011. The said Annexure do not contain any detailed computation / workings for the actual / estimated income at the existing tariff level. The MBPT is once again requested to furnish detailed</td><td>The income at the existing tariff level as well as proposed tariff level has been computed and projected taking into consideration the existing and projected traffic. The MBPT furnished services-wise income analysis for activities / sub-activities.</td></tr>
</table>

	income computation with workings for each of the tariff items indicated in Form-2B, at the existing tariff level for all the years under consideration, as prescribed in Note (3) to Format 2B.	
(ii).	(a). As per the details furnished in updated Form-2B, there is a marginal reduction in the total wharfage income estimated for the year 2011-12 compared to 2010-11, despite marginal increase in the estimated traffic for the year 2011-12 over the previous year. The port has stated that due to change in cargo mix and other factors, the cargo handling income cannot be directly proportional to the throughput levels. However, it is seen that the port has considered a uniform increase of about 3.5% in the traffic estimates of all cargo items for the year 2011-12 over the year 2010-11. The MBPT is, therefore, to explain the reasons for reduction in the total wharfage income estimated for the year 2011-12.	While preparing the revised budget estimate for the year 2010-11 an additional income of ₹10 crores has been considered in the import wharfage for loss of business due to collision of MSC Chitra and Khalijia-3. Therefore, income from wharfage is more as compared with budget estimate 2011-12.
	(b). Similarly, as reported in Form 2B, there is a reduction in the total demurrage income for the year 2011-12 to the extent of about 11.5% as compared to 2010-11. It appears from the response of MBPT that the position of average dwell time is expected to be worse in the proposed tariff period due to the closure of P&V dock and during construction of Harbour Wall berth. That being so, with the expected stay of cargo for more number of days, the demurrage income of the port is expected to increase. But, on the contrary, the port has estimated a reduction in demurrage income. The MBPT to clarify the position in this regard.	Quantum of demurrage income is highly fluctuating depending on the conditions at different points of time. The increase in the profitability, during past few years, was due to increase in demurrage charges. However, demurrage charges are deterrents for facilitating smooth operations. Quantum of demurrage charges earned in the past may not be considered as a regular income and criteria for the purpose of tariff fixation. Port will strive for reduction in demurrage income and increase in other income. Hence, port has estimated reduction in demurrage income. Further, the demurrage income was on a higher side on account of very high demurrage on certain consignments, which was abnormal in nature during the year 2010-11.
	(c). As reported in Form 5 A (iii) for sub activity 'Uncleared Warehouse', the estimated income for the year 2010-11 stands at ₹ 13,385 lakhs. The estimated income for the next year 2011-12 is considered at ₹12,294 lakhs with a reduction of ₹1091 lakhs. The reason for estimating the income for the year 2011-12 at a lower level compared to the corresponding previous year may be explained.	The income from demurrage is part of Uncleared Warehouse Service. As such, reason for estimating the lower income is given above in 3 (ii) (b).
(iii).	As per the details furnished in Form-5 B (iii) for sub-activity 'Towage & Pilotage', there is a marginal reduction in the total income estimated for the year 2011-12 compared to 2010-11, despite increase in the number of vessels estimated for the year 2011-12 over the previous year. The MBPT to explain the reasons for reduction in the towage & pilotage income estimated for the year 2011-12.	While preparing the revised budget estimate for the year 2010-11 an additional income of ₹8 crores has been considered in the income from Towage & Pilotage against loss of business due to collision of MSC Chitra and Khalijia-3. Therefore, income from towage & pilotage estimate is more as compared with budget estimate for 2011-12.

(iv).	(a). As per Form 2B, the MBPT has considered an exchange rate of ₹ 43.32 per US$ for estimating the income from dollar denominated tariff items. When requested to update the income with the prevailing market rate, the port has stated that fluctuation in exchange rate is a temporary phenomena and no additional income is expected to be generated on this count. However, in another context the port itself has admitted that the favorable variance in vessel related income for the year 2006-07 is mainly due to change in foreign exchange rates. The port is once again requested to update the estimated income arising out of dollar denominated tariff with the current exchange rate.	Monthly average dollar rate from April 2006 to February 2010 is furnished. The average monthly dollar rates are fluctuating every year. Therefore, it is not justified to estimate income arising out of dollar denominated tariff with the current exchange rate.
	(b). The average exchange rate for US$ for the year 2010-11 reflected in the actual income earned by the port in US$ terms in the year 2010-11 to be furnished.	Considering average dollar rate of ₹45.32 per US $ for 2010-11, the actual income earned by port at US $ terms from vessels are furnished.
(v).	The MBPT has furnished break-up of other income separately for 'cargo related activity' and vessel related activity in Annexure 'C' XI. The port to furnish further information / clarification on the following points:	
	(a). The actual / estimated income under the caption 'double banking / lighterage' appears both under cargo related activity and vessel related activity. The basis of classification of this income as 'cargo related' and 'vessel related' may be furnished.	The income from double banking is allocated to the Towage and Pilotage service and income from the lighterage are allocated equally to the Cargo handled at the Docks, Towage & Pilotage, Composite Berth Hire and Port Conservancy. It is assumed that the cargoes are not coming to the port and port is losing income on wharfage, berth hire charges. Therefore, income from lighterage is equally distributed. This is also in consideration of the opportunity loss of cargo related charges. The Authority vide order dated 30.9.2008 has also advised the Port to include the item in the next general revision as a proper appreciation as overlapping of common cost can be meaningfully assessed across different items by the Authority. Hence also it is submitted that the proposal be considered favourably for approval and to avoid the services be free of cost. We also submit that the tariff of 50% wharfage for oversight discharge is prevalent in other ports.
	(b). The basis of estimating the other income from cargo and vessel related activities for the year 2011-12 may be explained along with the basis for projecting increase for the next two years.	The income not directly related to the services has been considered as other income. The other income from cargo and vessels related activities for the year 2011-12 have been considered on the basis of budget estimate. The projected increases for next two years have been considered on the basis of projected traffic.
	(c). The actual income from penal charges for false signal for the years 2006-07 to 2009-10 is seen to be in the range of ₹ 35 lakhs to ₹38 lakhs, except for the year 2007-08, whereas the	Income from penal charges for false signal is a minor & deterrent item. Port trust has estimated income on lower side from penal charges for false signal considering a better discipline by trade resulting in lower penal charges.

<table>
<tr><td></td><td>estimated income on this account for the years 2010-11 to 2013-14 is in the range of ₹ 5.58 lakhs to ₹ 6.15 lakhs. The MBPT to clarify the reasons for reduction in the estimates.</td><td></td></tr>
<tr><td></td><td>(d). Similarly, the actual income from ‘sundry fees / charges – port & dock’ for the years 2006-07 to 2009-10 is seen to be in the range of around ₹ 38 lakhs to ₹50 lakhs, whereas the estimated income on this account for the years 2010-11 to 2013-14 is in the range of around ₹18 lakhs to ₹20 lakhs. The MBPT to clarify the reasons for substantial reduction in the estimates.</td><td>The income from sundry fees shows a downward trend from the financial years 2006-07 to 2010-11 with the exception for the financial year 2009-10. The estimated income on sundry fees for the years 2010-11 to 2013-2014 has been kept in the range of around ₹18 lakhs to ₹20 lakhs, taking the downward trend and income received during 4 months of financial year 2010-11 as basis.</td></tr>
<tr><td></td><td>(e). The break-up for other income under cargo related activity shows the estimated income from OCT project for the year 2013-14 at ₹1169 lakhs. Please furnish the nature of this income and the basis for estimation.</td><td>The project of OCT is expected to be commissioned in 2012-13 and from the next year 1,50,000 TEUs will be handled with a share of 35.064% revenue to MBPT which works out to be ₹11.69 crores (i.e. 150000 TEUs X 2223 per box X 35.064%). Hence, an income of ₹11.69 crores in 2013-14 has been considered. The Port proposes to open a separate escrow account as per the guidelines and retain the revenue share for development projects of the Port. This will be done upon commissioning of the project. As such, revenue of ₹11.69 crores for the year 2013-14 can come down. It is requested that the same may be considered in the present tariff fixation itself.</td></tr>
<tr><td>(vi)</td><td>(a). The MBPT has recently authorized a private operator to provide weighment services at the port on revenue share basis. The port is requested to furnish the revenue share estimated to be received on this account during the years 2011-12 to 2013-14.</td><td>The two electronic 60 Tonnes capacity weighbridges operated by M/s. Buthello Travels Pvt. Ltd. have commenced operation w.e.f. 10.06.2011, after approval of tariff by TAMP vide order No. TAMP/39/2010-MBPT dated 20.05.10. In the month of June 2011 and July 2011, 1351 and 1361 vehicles respectively were weighed at the private weigh bridge. Due to continuous rains, the cargo handling in the Docks has been very less. Also, there is a resistance on the part of Port Users to utilize private weighbridges till such time tariff is fixed for MBPT weighbridges. Approximately 1,30,000 cargo laden vehicles are weighed in Docks annually.

The expected revenue share to be earned from above private weighbridges are furnished below:

<table>
<tr><th>Sr. No.</th><th>Year</th><th>No. of Vehicles expected</th><th>Revenue Share to MBPT (In ₹)</th></tr>
<tr><td>1</td><td>2011 – 2012</td><td>25,000</td><td>6,00,000</td></tr>
<tr><td>2</td><td>2012 – 2013</td><td>65,000</td><td>15,60,000</td></tr>
<tr><td>3</td><td>2013 –2014</td><td>68,250</td><td>16,35,000</td></tr>
</table>

<u>NOTE</u>:
The following assumptions are made:
(a). <u>For the year 2011-2012</u> :
June to July 2011 – 2712 Vehicles</td></tr>
</table>

<table>
<tr><td></td><td></td><td>August 2011 to December 2012 @ 1500 Vehicle per month – 7500 Vehicles

January to March 2012 @ 5000 vehicles per month – 15000 Vehicles. (*)

Total - 25212 Vehicles rounded off to 25000 vehicles

The volume is expected to increase substantially after fixation of tariff for MBPT weighbridges.

(b). <u>For the year 2012-2013 :</u>
50% of total vehicles weighed at MBPT (1,30,000) – 65,000 vehicles.

(c). <u>For the year 2013 –2014:</u>
5% increase from volume of 2012-13 considered</td></tr>
<tr><td></td><td>(b). The MBPT has considered the one time receipt of ₹29 crores in 2007-08 from ICTPL as estate income during the same year. The nature of one time income received from ICTPL during the year 2007-08 and the basis for accounting the receipt under Estate income may be furnished.</td><td>₹25 crores received during the year 2007-08 as upfront Fees from ICTPL was included in Estate Income. ₹4.5 crores received for sale of QGCs and RTGs from ICTPL which was wrongly allocated to estate income has been subsequently rectified and allocated to profit/loss on sale/disposal of capital assets under F&M income for the year 2009-10. We further submit that if the classification is not acceptable, the next option available with the Port is to divert the amount to an escrow account. Hence, in any case the amount is outside the purview of tariff fixation. The Port can consider this rectification if so desired. In consideration of the above position, it is submitted that this amount should not be added as operating income for the purpose of tariff fixation.</td></tr>
<tr><td>(vii).</td><td>Actual income earned on account of supply of waters by licenced agencies @ ₹ 30 PMT for the years 2006-07 to 2010-11 and that estimated for the next three years may be furnished.</td><td>The annual income earned on account of supply of water by the licensed agencies @ ₹30/- per MT for the year 2006-07 to 2010-11 is as under:

<table><tr><th>Year</th><th>Amount (₹ Lakhs)</th></tr><tr><td>2006-07</td><td>----</td></tr><tr><td>2007-08</td><td>87.42</td></tr><tr><td>2008-09</td><td>57.45</td></tr><tr><td>2009-10</td><td>133.03</td></tr><tr><td>2010-11</td><td>141.47</td></tr></table>
The estimated income in the next three years calculated on the basis of average increase in furnished as under :

<table><tr><th>Year</th><th>Amount (₹)</th></tr><tr><td>2011-12</td><td>146.35</td></tr><tr><td>2012-13</td><td>155.23</td></tr><tr><td>2013-14</td><td>156.11</td></tr></table></td></tr>
<tr><td>(viii).</td><td>This Authority has passed an Order dated 29 June 2011 on the reference made by the ICTPL relating to collection of wharfage and demurrage by the MBPT on</td><td>The Order passed by the Authority dated 29.6.2011 stipulates that MBPT has to make out a proposal within a period of 3 months. As such, it is felt too premature to link the impact of that order to</td></tr>
</table>

	containerized cargo of the containers handled by ICTPL at BPS. This Order has been notified in the Gazette of India on 11 July 2011 and a copy of the same has already been forwarded to the MBPT. The MBPT to quantify the revenue impact on account of the changes made in the existing SOR of MBPT in the said Order in the income estimation for the years 2011-12 to 2013-14 and furnish the same.	the current revision proposal of October 2009.
(ix).	The port in response to our earlier query at Sl. No.(A) (4) has listed out various concessions passed on to the trade on the ceiling rates approved by the TAMP. Presumably, the actual revenue reported in the Annual Accounts for the years 2006-07 to 2010-11 is net of such concessions. The port is, therefore, requested to quantify and furnish activity wise the revenue impact of rebates / concessions granted to the trade for each of the years 2006-07 to 2010-11. Also, please confirm that the income estimates for the years 2011-12 to 2013-14 are based on the ceiling rates approved by the TAMP in the existing Scale of Rates.	Notional Rebate/concession granted to trade for each of the years 2006-07 to 2010-11 are furnished. The rebate or concession mostly on account of extension of free days was essential to attract and retain cargo, failing which the income of the Port through cargo handling would have abnormally come down. As such, adding of this amount to the income of the port is incorrect, abnormal and defeats the purpose of commercial decision. While giving respect to the guidelines in this regard, we would like to submit that these concessions were the essence of generation of revenue to the port on account of retention and increase of cargo throughput. The same may be considered as notional as double counting of the income for tariff fixation defeats the very objective of commercial decision in this regard.
IV	**<u>Operating Expenditure</u>** :	
(i).	In the updated cost statements, the port has not furnished Form-3B giving details of unit cost of different cost items and consumption of resources. In the absence of Form 3-B, the type-wise actual / estimate of expenditure furnished by the MBPT for various activities / sub-activities could not be verified for its correctness. The MBPT, therefore, to furnish the Form 3-B complete in all respects ensuring type-wise expenses furnished in the activity-wise / sub-activity wise cost statements tally with the figures furnished in Form 3-B for all the years under consideration.	The required information has been furnished in Form-3B.
(ii).	(a). The MBPT has furnished the existing manning scales in the port and manning scales as per National Tribunal Award for different services. The impact on account of implementation of National Tribunal Award in the salaries & wages cost estimated by the port for the years 2011-12 to 2013-14 may be furnished.	National Tribunal Award has not been implemented as yet. Therefore, impact on account implementation of National Tribunal Award in the salaries & wages cost can not be estimated by the port for the years 2011-12 to 2013-14. In any case there is no proposal for retrenchment. Hence, the same is fixed cost.
	(b). As per the details furnished by the port at para B (4) of its letter dated 11 April 2011, the average salary and wages per employee is escalated by 13.51%, 20% and 15% in the years 2011-12 to 2013-14. The basis for considering the escalation in average employee cost may be furnished with justification for the increase considered.	The average salaries and wages per employee as stated by TAMP to be escalated by 13.5%, 20% and 15% in the years 2011-12, 2012-13 and 2013-14 respectively is not in order. While projecting the salaries and wages cost, 8% on account of DA increase in salaries and wages has been taken and estimated on budget estimate 2011-12 with further, 15% increase for wage revision for Class III & IV due from 1.1.2012. Thereafter, the average

		salaries and wages cost of employees retiring during the years 2011-12, 2012-13 and 2013-14 as 712, 935 and 1055 respectively has been reduced from the respective year. Maximum numbers of employees are retiring in 2013-14. Therefore, percentage of average increase has shown a downward trend of 15% (as stated by TAMP) in the 2013-14.
V	**Pension Fund** :	
(i).	With reference to the information regarding payment of pension and PLB/PR furnished by the MBPT at para B.9 (a) may be updated with reference to actuals for the year 2010-11.	The bifurcation of actual payment of pension and PLB/PR for the year 2010-11 is updated and furnished.
(ii).	The actuarial valuation for pension liability as of 31 March 2011 may be furnished indicating the break-up of pension liability in the format furnished by MBPT under para B.9 (c) of its letter in reference along with a copy of the actuarial valuation report as on that date.	Break up of liability on Pension in respect of existing employees and the pensioners as of 31.3.2011 are furnished.
(iii).	The Pension Fund position furnished by the port in reply to our earlier query Sl. No.B.9 (e) may also be updated with actuals for the year 2010-11 and with estimates for the year 2013-14.	A copy of the actuarial valuation report by LIC is furnished.
(iv).	(a). Note 6 of the format (3A) prescribed by this Authority stipulates that pension payments made by the port to the extent it is not drawn from the fund and the contribution made to the pension fund relevant to current year towards pension liabilities of existing employees based on actuarial valuation shall be considered. The port has also confirmed that the pension payments in respect of MBPT pensioners are met from the Pension Fund. The annual accounts of MBPT also shows that contribution is made to the Pension Fund from the Revenue Account every year based on the actuarial valuation of pension liabilities. The annual accounts of BDLB also show that a regular contribution is made to the Pension Fund from the Revenue A/c. In this context, the MBPT to clarify as to the reason for considering the actual pension payment to the employees of MBPT and BDLB for the years 2006-07 to 2009-10 in the cost statement instead of actual contribution made to the Pension Fund.	Pension Fund Position updated with actuals for the year 2010-11 is furnished. The actuarial valuation and contribution to the pension from 2006-07 to 2010-11 are furnished. The Actuarial liability towards Pension is to be spread over the years. Hence, contribution to the pension fund has been considered in the cost statement from 2006-07 to 2010-11 at actuals and ₹500 crores has been considered as projected contribution under FME in cost statement.
	(b). The basis of estimating the Pension payment at ₹254.71 crores, ₹281.04 crores and ₹304.19 crores per annum for the years 2011-12 to 2013-14 for the employees of MBPT and BDLB may be furnished.	The pension payment has been estimated with increase of 8% over the actual pension payment of 2009-10 with further increase on account of retirements during the years 2010-11 to 2013-14. The workings of pension expenditure are furnished.
	(c). The MBPT has stated that the Pension Fund Trust presently covers only the employees of MBPT. However, the	The liability as on 31.3.2011 on account of pension of MBPT employees alone works out to ₹4208.28 crores. As against this, the fund balance as on

	actuarial valuation report as of 31 March 2010 furnished by MBPT states that the pension liability covers the employees of both MBPT and BDLB. Therefore, the MBPT to clarify whether the estimated annual contribution to the Pension Fund for the years 2011-12 and 2012-13 covers the pension liability of the employees of BDLB. If not, the MBPT to furnish the estimates of contribution to the Pension Fund towards pension liability for the employees of BDLB for the years 2011-12 to 2013-14.	31.3.2011 is ₹3753.24 crores, i.e. leaving a balance of ₹524.04 crores. Further, there is a gap of approximately ₹300 crores on account of short funding to Gratuity Fund, which is also a Superannuation Fund. As such, a sum of ₹825 crores is still to be funded excluding BDLB's pension. We would further like to clarify that as per the settlement of 1994 while taking over of erstwhile BDLB, the liability with respect to employees rests with MBPT. The legal merger of erstwhile BDLB with MBPT is expected to take place during the Financial Year 2011-12.
	(d). The basis for estimating the PLB / PR for the years 2011-12 to 2013-14 may be furnished.	The PLR is decided based on a settlement with Labour Federations with Govt. of India until 2010. As such, the actual expenditure of 2009-10 has been considered on a conservative basis for the future period for tariff fixation.
VI	**Finance & Miscellaneous Income** :	
(i).	The sundry receipts reported in the Annual Accounts of MBPT is ₹3.94 crores, ₹5.80 crores, ₹5.72 crores, ₹15.09 crores and ₹15.94 crores for the years 2006-07 to 2010-11 respectively. As against that, the other income under Finance & Miscellaneous Income (FMI) considered in the cost statement is ₹3.26 crores, ₹3.95 crores, ₹3.94 crores, ₹11.83 crores and ₹11.83 crores respectively. The reasons for considering the figures other than those reported in the Annual accounts may be furnished with basis.	Those incomes under Finance & Miscellaneous which are directly related to the services have been only considered as income for the cost statement and it falls under sundry receipt of F&M income of Annual Account of MBPT. Hence, the deviation.
(ii).	The annual accounts of BDLB shows under the head FMI, inter-alia, rent from quarters, recovery of electricity charges at estates and miscellaneous income. While the rent from BDLB quarters has been included under 'other in come' under the head FMI in the cost statement, the treatment given in the BDLB cost statement to the remaining two items may be explained.	Rent from Ex-BDLB quarters considered as F&M income in the cost statement, which is related to the labour & welfare activities. Other two incomes i.e. recovery of electricity charges and misc. income are not considered in cost statement.
(iii).	The nature of income reported in the Annual Accounts of MBPT and BDLB as "prior period income" under the head FMI and the treatment given in the cost statement in the past period 2006-07 to 2010-11 may be furnished with break-up.	Amount and break-up of prior period income under the head FMI for MBPT and BDLB for the years 2006-07 to 2010-11 are furnished. Prior period incomes have not been considered while preparing the cost statements.
(iv).	The basis for estimating the FMI for the years 2011-12 to 2013-14 at a uniform amount of ₹1183 lakhs may be furnished. The cost statement may be updated with actuals of 2010-11 and the estimates for the subsequent years may be reviewed, if necessary.	The FM income has been considered uniformly at ₹11.83 crores on a conservative basis as the same not firm and can not be estimated.
VII	**Finance & Miscellaneous Expenses** :	
(i).	The Finance & Miscellaneous Expenses (FME) reported in the annual accounts of	The Finance & Miscellaneous expenses towards Bank charges / commission have not been

	MBPT and BDLB for the years 2006-07 to 2009-10 include some expenditure towards Bank charges / commission. The treatment given to this item in the cost statement may be furnished.	considered while preparing the cost statement.
(ii).	The nature of Prior Period expenses reported in the annual accounts of MBPT and BDLB under the head FME and the treatment given in the cost statement in the past period 2006-07 to 2010-11 may be furnished with break-up.	The Prior Period expenses reported in the annual accounts of MBPT and BDLB under the head FME are not considered while preparing the cost statement. The detailed break up is furnished.
(iii).	The annual accounts of MBPT for the year 2010-11 shows loss on sale of assets under FME as ₹2.69 crores. This may be taken into consideration while updating the cost statements with actuals of 2010-11.	The annual accounts of MBPT for the year 2010-11 shows loss on sale of assets under FME as ₹2.69 crores. Same has not been taken while updating the cost statements with actuals of 2010-11.
(iv).	Confirm that other one time expenses such as arrears of wages/ pension, VRS compensation are not included under this head of expenditure in the cost statement as per clause 2.5.2 of the tariff guidelines.	The one time expenses such as arrears of wages, VRS compensation are not included under this head of expenditure in the cost statement.
VIII	**Capital employed** :	
	Fixed Assets	
(i).	The MBPT to update the Form 4A with the actual additions to the gross block in the year 2010-11 with corresponding changes, if necessary, in the projections for the subsequent years. The updated cost statements furnished by the MBPT do not include Form 4B. Therefore, the updated Form-4B also may be furnished.	The updated Form-4A and Form-4B are furnished.
(ii).	The Form 4A shows that the MBPT has proposed additions to gross block during the years 2011-12 to 2013-14 at ₹207.17 crores, ₹1090.71 crores and ₹1336.50 crores, respectively. Please confirm that the capital outlay in the form of additions to the gross block of assets proposed for the years 2011-12 to 2013-14 is in line with five year plan envisaged by the Port.	The proposed additions to gross block during the years 2011-12 to 2013-14 is in line with five year plan by the port.
(iii).	The MBPT has furnished a statement giving details of major assets to be commissioned during the years 2011-12 to 2013-14. The MBPT is requested to furnish / clarify the following:	
	(a). The status of works and the expected year of commissioning furnished in the statement may be updated with latest position.	The statement showing the latest position is furnished separately.
	(b). The port has furnished extracts of Feasibility Report for construction of second liquid chemical berth at Pir Pau indicating the estimated additional capacity proposed to be created on implementation of the project. However, the extract does not indicate the estimated capital cost of the project. The documentary support for the estimated	Copy of letter dated 26.11.2007 received from Ministry of Shipping conveying sanction to the project with estimated cost of ₹116 crores is enclosed.

	value of work considered at ₹116 crores may be furnished.	
	(c). The extracts of the Feasibility Report for development of Harbour Wall Berths at Indira Dock shows the value of work as ₹352 crores. But, the port has considered the same at ₹353 crores. The correct position may be reported.	Copy of letter dated 14.1.2008 received from Ministry of Shipping conveying sanction to the project with estimated cost of ₹353 crores is enclosed.
	(d). The port has proposed investment of ₹621.71 crores during the year 2012-13 towards construction of 2 off-shore berths for container handling on BOT basis. The port has furnished a copy of the letter dated 30 March 2009 from the Ministry conveying its approval for the Revised Cost Estimate of this work, which shows the revised cost estimate as ₹446.86 crores. The MBPT, therefore, to furnish copy of the documentary evidence in support of the higher amount of estimate of ₹621.71 crores considered by it in the cost statement.	Revised Cost Estimate for same is under submission to Board. The same can be intimated after approval of the Board.
	(e). The MBPT to furnish documentary evidence in support of the estimates considered by it in the cost statement for the other capital works envisaged during the years 2011-12 to 2013-14.	No comments furnished by MBPT.
(iv).	(a). The MBPT has proposed road works for improvement of port connectivity at a total cost of ₹3976 lakhs to be commissioned during the year 2011-12. As stated by the port, a portion of the work relating to Messent Road is already completed. The MBPT to confirm that the value of work already completed is already capitalized during the relevant year and the same is excluded from the total estimated value of work.	It is confirmed that the value of work relating to Messent Road completed were capitalized during the relevant year.
	(b). The MBPT has proposed investment of ₹131 crores during the year 2011-12 towards dedicated goods line between Wadala and Kurla to improve port connectivity. In this connection it is informed that during the last general revision of tariff in September 2006 also, the MBPT had proposed an investment of `102.00 crores during the years 2006-07 to 2008-09 towards rail connectivity between Wadala & Kurla. As recorded in paragraph 9 (xxi) (a) of its Order dated 28 September 2006, this investment was not considered by this Authority for allowing ROCE since the facility proposed to be created falls outside the jurisdiction of the port and the port had confirmed that the facility would not become an asset of MBPT. Under the circumstances, the MBPT is requested to remove this item from the proposed additions to the gross block.	MBPT is contributing a sum of ₹131 crores for the project of Wadala-Kurla line. This line is expected to facilitate rail traffic through the port and decongest the road movement of traffic, which is a critical limitation factor for the Mumbai Port Trust. The facility will be availed by the containers, general and bulk cargo. As such, irrespective of the fact that the assets created are operated by the railways, the financial implication of funding the project needs to be considered for tariff fixation. If it is difficult to allow the depreciation on the assets, it may be considered as deferred revenue expenditure. Hence, we are unable to agree with the proposal to remove the item from the investment by the Port.

	(c). The port has proposed investment of ₹175.00 crores towards its 1/8th share of expenditure against the work of deepening and widening of channel taken up by the JNPT. The total cost of this work estimated by JNPT may be furnished to substantiate the investment proposed by the MBPT.	The estimated cost for the project is ₹1389.97 crores and has been cleared by the PIB. In fact the estimate is further increased. Hence the projection of expenditure of ₹175 crores is in order. A copy of letter dated 16.08.2011 received from JNPT showing the estimated cost is enclosed.
	(d). The MBPT has also proposed an investment of ₹500 crores during the year 2013-14 towards construction of New Cruise Terminal near Gateway of India. The present status of approval to this project by the competent authorities / Government may be furnished. The port has stated that the facility proposed to be created being a Cruise Terminal, there will be no additional capacity. However, since creation of this facility may attract more vessel traffic, there will be a positive impact in the vessel related income of port. The port to estimate the additional vessel traffic and consequent impact in the vessel related income and consider the same in the cost statements in the relevant year.	The cruise terminal is not expected to be generating income on capital investments. Hence the proposal is in order.
	(e). The port has proposed capital outlay of ₹661.50 crores during the year 2013-14 towards construction of Fifth Oil Berth at Jawahar Dweep. The present status of approval to this project by the competent authorities / Government may be furnished. The port has stated that dialogue with HPCL & BPCL for sharing the cost is in progress. The status at which the matter stands at present may be furnished. Also, the estimate may be revised based on the MBPT's share of expenditure towards this project.	The Oil Companies are not coming forward with any proposal for the said work. The Port may have to go for 5th Oil Jetty in replacement of 4th Oil Jetty.
(v).	It may be confirmed that the entire proposed expenditure in each of the years will be capitalised in the books of accounts in the same year and also the assets worth the equal amount will be physically available for operation in the very same year.	The proposed expenditure in each of the years will be capitalized in the books of accounts in the same year and assets worth the equal amount will be physically available for operation in the very same year.
(vi).	The MBPT has stated that the assets handed over to ICTPL are included in the years 2006-07 to 2008-09 and the sale proceeds have been accounted for in 2009-10. The date / dates on which the assets were handed over to ICTPL may be furnished and the Form 4A may be reformulated removing the book value of assets handed over to the ICTPL.	The assets handed over by the ICTPL have been accounted in the year 2009-10.
IX	**Working Capital** :	
	The port has furnished a statement giving computation of working capital in Annexure-C 'XX' of its letter dated 11 April 2011. It is seen from the statement	A statement giving computation of working capital updated with actual of 2010-11 is furnished.

	that the working capital estimates for future years are based on the actual figures of the year 2008-09. Further, the estimates for the year 2013-14 are not furnished in the statement. Since the year 2010-11 is already completed, working capital estimates for the years 2011-12 to 2013-14 may be updated / included with reference to actuals of 2010-11 and a revised working sheet may be furnished. While doing so, it may be ensured that the net working capital shown in the working sheet tallies with the figures furnished in the cost statement for all the years under consideration.	
C.	**SCALE OF RATES** :	
(i).	**Section 1.1. – Definitions** :	
	(a). In the revised proposed SOR, the existing definition for 'Coastal Vessel' has been modified to include vessels of Coast Guard and Indian Navy. It may be confirmed that the Coast Guard and Indian Navy vessels fall under the category of coastal vessel.	As per TAMP's Order dated 22.8.1997 and published in the Gazette of India on 10.9.1997 effective from 10.9.1997, clause 4 (a) states the definition as follows. 4. (a). 'Coasting Vessel' means a vessel engaged in the carriage by sea of passengers or goods from any Port or place in India to any other Port or place within the Union of India. Such vessels include the vessels pertaining to Coast Guard/Indian Navy.' Above definition confirms that the Coast Guard and Indian Navy vessels fall under the category of coastal vessel.
	(b). The port has furnished explanation for the proposed definition for 'Vessel Completion Date'. In this connection, Annex XXV to MBPT's letter dated 11 April 2011 furnished by the port contains only the first page of Table paper (vii) dated 26 August 2008. MBPT to furnish all the pages pertaining to the said Table paper for perusal.	All the pages (2 pages) of Table paper (vii) dated 26 August 2008 are furnished.
(ii).	**Vessel Related Charges** :	
	(a). In the draft SOR, MBPT has proposed priority berthing fees/anchorage charges equivalent to charges for a single day or 75% of the charges for period of stay whichever is higher to be levied as extra stating that the Ministry of Shipping has directed the Port to grant priority berthing. It is observed that the Ministry's direction is to confine priority berthing for two berths at a time to vessels carrying finished fertilizers during the months of June-July 2010. Since the Government direction is restricted to the earlier period of June-July 2010, the need for a permanent provision in the SOR in this regard may be clarified with justification. Further the Ministry has not given any	There is no provision in the existing SOR to recover priority berth hire charges, whenever any priority is accorded for berthing in terms of Government guidelines issued from time to time or otherwise. It was necessary to make such provision, as similar provisions exist in the SOR at other Major Ports like Kolkata, Chennai, Kandla, JNPT. No instances calling for priority had arisen in terms of Government guidelines for fertilizer cargo vessels, as the berths were available. The anchorage has been added on par with berth.

	direction for granting priority in providing anchorages. Therefore, the provision proposed by MBPT for charging fees for priority anchorage may be reviewed. As MBPT has stated that these charges are levied w.e.f. 1 June 2010, the number of occasions on which priority berthing / anchorage was granted and revenue realised there from may be furnished for the period from 1 June 2010 to 31 March 2011.	
	(b). Annual revenue earned in the last 3 years and that estimated for the next 3 years from levy of Port dues on vessels re-entering the port after being forced to move out of port limits before completing cargo operations. In this context, the concession granted to vessels calling more than once in a month vide T.R.165 of 27 February 2007 may be explained.	The concession was granted vide TR No. 29 of 27.2.2007. This concession in port dues has been withdrawn vide TR No. 165 of 2009 except to offshore supply vessels and cruise vessels home-ported at MBPT. As regards the revenue generation out of re-entry of vessels, we are not maintaining separate record for the same, hence are not available.
	(c). The MBPT has stated that no additional income is likely to accrue on account of inclusion of floating cranes, rig vessels, dredgers and vessels under construction under the category of Miscellaneous Vessels for the purpose of levy of composite pilotage and towage charges. Port has also stated that presently, except the vessels under construction, other craft are treated as cargo vessels for the purpose of levy of charges. Since the rates for Miscellaneous Vessels are lower than that of cargo vessels, MBPT is requested to intimate the expected reduction in revenue due to the proposed amendment to the SOR for the years 2011-12 to 2013-14.	Floating cranes, rig vessels, dredgers are considered as cargo vessels in absence of provision in SOR and same vessels are generally engaged in mid- stream operation. Rate for supply vessels is more than the cargo vessels in stream and revenue impact is not substantial.
	(d). (i). In the context of retaining the existing note (5) below composite pilotage and towage charges, MBPT has stated that the rate for services @ ₹19.50 per tonne need to be retained in the Scale of Rates. MBPT is requested to inform the section under the existing SOR where the rate of ₹19.50 per tonne has been prescribed.	The Port's claim for cargo related charges @ ₹15/- per tonne for lighterage operations at specified customs notified areas at port approaches and in relation to the port is being levied as per the High Court order @ ₹6/- per tonne as an interim measure. The present proposal is for an increase of 30% over ₹15/- per tonne. The rate of ₹15/- per tonne was fixed long back in 1994. As such, the increase sought is highly reasonable. TAMP is requested to approve the same for notified anchorages outside the port limit but at port approaches and since is in relation to the port.
	(ii). The port has proposed to levy lighterage charges on mother vessels at 50% of the wharfage applicable to cargo. When requested to justify this levy with cost details MBPT has stated that cost details are not relevant as rates are to be fixed for opportunity lost. The details of the services rendered by the port for such	The Port has been repeatedly asking for cargo related charges in lieu of lighterage operation at midstream. When a cargo is discharged at midstream and the cargo comes to Mumbai Port, the lighterage charges are not levied at the midstream as per the existing scale of rates. Whereas lighterage operations take place at midstream and the cargo goes to some other

	operations which are not covered by any other charges under the SOR have not been furnished. Port is once again requested to furnish a working sheet justifying the proposed levy. Further, MBPT is yet to reply to the pointed query as to from whom the lighterage charges are proposed to be recovered (i.e. whether from the masters, owners or agents of the vessels or from the importers).	Ports, the lighterage charges is levied on the vessel. This amounts to undue favour for cargo being taken out of Mumbai Port. The anchorage charges are proposed to be levied from the vessel and wharfage @ 50% is proposed to be levied from the cargo. The cargo related charges are also essential for preventing the revenue leakage as proper documentation is required for loading and discharging of cargo at Mumbai Port. The Mumbai Port is depending on the declarations made by the agents about the cargo operations. This is felt not a transparent system and for transparency and revenue purpose, the Port proposes to go in for cargo related charges instead of lighterage charges. It is felt secondary that who is paying the charges. The payment of charges can be based on the terms of contract in a logistic business. As far as the port is concerned, the same is to be paid by the cargo interest and proper documentation for discharge and loading of cargo to be made to the port. As such, our considered view is that for lighterage operations at midstream, the levy should be on cargo related charges, which is proposed to be 50% of the wharfage rate. Such charges are approved for Vadinar Port for lighterage operations of crude at midstream @ ₹6/- per tonne. Hence, there is precedence in this case.
	(e). The MBPT has proposed a minimum composite towage and pilotage charge of ₹5,000/- for coastal vessels and $150 for foreign going vessels. Port was requested to inform the basis on which these rates have been arrived at with cost sheets. Although the necessity to incorporate such conditionality has been furnished, MBPT is yet to substantiate the rate proposed and the revenue impact thereon. Please furnish the basis for the proposed rate and additional income estimated on this account for the years 2011-12 to 2013-14.	A minimum of ₹5000/- on the composite pilotage and towage charges is prescribed as there are instances that the composite pilotage and towage charges are meager. As such, the proposal is basically to have a minimum amount at least to recover the administrative cost of billing. We are unable to prepare a separate costing for the same and the revenue implication is going to be negligent compared to the overall revenue generation of the port. Hence may kindly be considered.
	(f). Since only on 11 occasions during 2009-10 the port fire services have rendered assistance and the time taken during those occasions were within 8 hours, MBPT may reconsider whether it would only be in order if the existing provisions against the stand-by charges leviable for the fire service are retained.	As stated earlier, in order to simplify the conditions related to stand by charges, unit of charge was converted into per 8 hours thereby simplifying the MBPT fire service stand by charges. Hence, the proposed rates for MBPT fire service stand by charges need to be retained in the proposed SOR. TAMP may take a view.
	(g). The MBPT has proposed to discontinue the differential levy of anchorage fees depending upon the place of anchorage and has proposed a common rate for all vessels and propelled barges anchored within the port limits. When the port was, inter-alia, requested to furnish the revenue impact of the proposed amendment it has only stated that the revenue impact would depend on	The port has got number of anchorage points for which preferential rates have been prescribed. Different anchorages have been utilized for different types of vessel. In order to have flexibility in operation, the port proposes to have common rate for the anchorages. The allocations will be done depending on the requirements at given point of time keeping in mind the parameters like draft, productivity, etc. The income from anchorage charges is ₹4 crores per annum approximately as

	the productivity in landing and loading operations. The MBPT is again requested to quantify the revenue impact considering the average productivity obtained in landing and loading operations in the recent past.	against the total income of ₹900 crores to the Port. As such, the impact of this common rate are compared to the differential rate is going to be negligible. Further, the proposal also simplifies the rate structure. Hence may be allowed.
	(h). According to MBPT, its proposal to delete the existing Note 1 appearing below the Schedule of Port Dues is to avoid duplication. Kindly furnish the other schedule in the SOR where similar note appears.	Clause 2.15 of the schedule for port dues itself clearly states that the rate for port dues is as per GRT. As such, Note No.1 is to be removed for simplification. However, TAMP may take a view
	(i). In the existing arrangement the vessels visiting JNPT, if for any reasons visit MBPT, 60.65% of the Port Dues is recoverable and vessels paying full port dues at MBPT need not pay 39.35% of MBPT port dues at the JNPT. In the draft SOR MBPT has proposed these levies at 50%. The basis therefor may please be explained.	MBPT's proposal is to charge 50% of port dues for vessels calling in JNPT. The proposal to charge 50% port dues for a vessel calling from JNPT to Mumbai and vice-versa is on the assumption that this Authority will approve 50% of port dues on vessel calling at JNPT to be reimbursed to MBPT as against 39.35% presently being approved and levied. Hence the charges are proposed.
(iii).	**<u>Cargo Related Charges</u>** :	
	(a). Under the commodity vehicles, MBPT has proposed to include bull-dozers, forklifts, etc. stating that Docks by Laws permit to do so. MBPT has stated that bull-dozers, forklifts, etc. are presently considered as machinery and project cargo for recovery of wharfage. The additional revenue likely to be generated if these items are treated as vehicle may be furnished.	The revenue generation per equipment is likely to come down. However, as a result of reduction of tariff, there is likelihood of increase in traffic. As such, it is impracticable to work out the revenue implication at this stage.
	(b). (i). The policy announced by the Government in January 2011 on land management of Major Port Trusts clearly lays down the procedure to be adopted for determining the market value and schedule of rates of the port lands. Perusal of TR No.49 of 28 May 2002 reveals that the revised licence fee for storage of cargo and cargo operation for customs notified area and for other than customs notified area are based on market values of lands prescribed in the ready reckoner by the State Government for the purpose of levy of stamp duty. It appears that the MBPT has followed one of the methodologies prescribed for valuation of port land. In this regard, it may be noted that the cargo storage charges are fixed by this Authority following the cost plus method prescribed in the Tariff Guidelines of March 2005.	The present proposal of MBPT was of October 2009. As such, it has not considered the land policy of January 2011, which has been adopted by the Board in its meeting held on 31.5.2011. As such, any amendments required to the SOR on account of the latest land policy is not included in the proposal. It is further clarified that the rate proposed by the Board vide TR No.49 of 28.5.2002 has been incorporated in the proposed SOR. MBPT is unable to afford further delay on this proposal. However, MBPT reserves its right for an amendment to the proposal based on land policy as deemed fit.
	(ii). MBPT to furnish a draft copy of Appendix G to the MBPT Docks by Laws, incorporating therein the additional areas now proposed to be included where the SOR to be approved by this Authority would be made applicable.	MBPT's proposal is to include the areas under the purview of SOR except in cases where tariff is fixed by the Railway Board and Estate rentals.
	(c). On cargo discharged overside the	During the year 2010-2011, 367 packages

	Port has proposed to levy 50% of normal wharfage charges. Port was advised to refer to para 7 (B) (viii) of this Authority's Order dated 30 September 2008 in Case No.TAMP/51/2007-MBPT and to propose appropriate charges for overside discharge of cargo with supporting cost details. Though the port has furnished certain statistical details and the circumstances necessitating overside discharge, it has not furnished the supporting cost details. MBPT is once again requested to furnish the requisite cost details and the revenue implications of the proposed levy.	weighing 16063 MTs of overside cargo was discharged/loaded from/on to the vessels. Cost details in respect of cargo discharged/loaded to and from overside are not available. However, it is pertinent to note that fixed cost i.e. MBPT's infrastructure of dock basin etc. is being used for the purpose. Kindly also note that the service "General cargo handled at Docks" is in deficit. Prior to rationalisation of scale of rates, there was a provision for recovery of 50% wharfage in respect of cargo handled overside. This provision was deleted from the Docks Scale of Rates. There is a need to re-look into this provision especially in view of more and more project consignments being handled at the Port to and from overside. Further, the berths are kept vacant for movements of vessels discharging overside resulting in loss of wharfage to the Port. Moreover, such a provision also exists in the tariff applied by other ports, which in principle recovers wharfage in respect of cargo entering and exiting the port by any mode viz., rail, road or waterways. MBPT may be allowed to have some yardsticks for similar cargo and similar operations. In the absence of approval of rates, the service becomes free of charges, which is felt improper.
	(d). In the existing arrangement, hazardous cargo handled at bunders is subject to the levy of ₹20 per tonne per day. MBPT has proposed the rates of ₹114.40 and ₹68.64 per tonne respectively as "foreign" and "coastal" for this cargo. When enquired about the steep increase, MBPT has stated that it is to bring the rates on par with chemicals such as Ammonia, EDC, Ethyle, Benzene, Paraxiline etc. Instead of proposing the rates for hazardous cargo on this basis, MBPT is requested to arrive at a rate based on the cost of handling and special care required to be taken while handling and storage of this cargo as prescribed in clause 4.2.2 of the tariff guidelines.	It is a fact that higher rates have been proposed for handling of hazardous cargo compared to the existing rates. The Port is situated at the heart of the city and the port is constrained to reduce handling of hazardous cargo. As such, the essential hazardous cargo, which has to pass through Mumbai Port, is expected to suffer additional cost by way of tariff. The exact cost data and the cost of sheet is not practicable to be prepared on this. The Port has also experienced major accidents in this segment in the past. As such, the case may be viewed and considered and the higher rates proposed may be allowed.
	(e). The MBPT has stated that there is no provision in the existing SOR to levy charges on Shipper's Own Container (SOC) units. Port has however stated that it recovers charges on these units treating them as empty steel units. The revenue recovered on such units during the last two years may please be furnished.	The revenue recovered on Shipper's Own Container (SOC) for the year 2009-10 is ₹87,518/- and for 2010-11 is ₹84,481/-
	(f). Despite a specific request, MBPT has not justified with cost details its proposal to introduce a new section to levy charges at the rate of ₹1768/- on 20' ICD containers received by rail and removed by road or received by road and removed	Cost details for charges for ICD containers received by Rail / Road and removed by Rail/Road without shipment from Mumbai Port are furnished.

<table>
<tr><td></td><td>by rail and @ ₹2795/- on 20' ICD containers received by rail and removed by rail.</td><td></td></tr>
<tr><td>(iv).</td><td><u>Miscellaneous</u> :</td><td></td></tr>
<tr><td></td><td>(a). In the charges leviable for operation of passenger boats, catamarans, hovercrafts and speedboats, presently peak hour service is from 9 a.m. to 11.30 a.m. and from 5 p.m. to 8 p.m. The port has proposed to alter the peak hours as from 8 a.m. to 12 noon and from 4 p.m. to 8 p.m. MBPT is yet to explain the reasons for this modification.</td><td>The modification in the peak hours in the charges leviable for operation of passenger boats, catamarans, hovercrafts and speedboats is carried out as most of the passengers are traveling from Mumbai to Mandwa during 8 a.m. to 12 p.m. in the morning and during 4 p.m. to 8 p.m. in the evening.</td></tr>
<tr><td></td><td>(b). A new levy at ₹60/- per truck upto 30 tonnes and ₹90 per truck above 30 tonnes has been proposed as weighment charges stating that it is to maintain parity vis– a–vis the two weighbridges proposed to be installed on BOT basis. Port is requested to furnish a cost Sheet in the prescribed format showing therein all the details such as capital cost of the weighbridges, depreciation, maintenance cost, ROI, number of Lorries expected to avail the weighment services per year and the resultant rate per truck to be levied.</td><td>Cost sheet for 2 MBPT weighbridges (60 tonnes) based on actuals of 2010-11.

<table>
<tr><td></td><td>₹</td></tr>
<tr><td>Capital Cost (2 weighbridges- 60 T) as on 31.3.2011</td><td>3436409</td></tr>
<tr><td>Estimated Life (Year)</td><td>10</td></tr>
<tr><td>Date of commission</td><td>2003-04</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Depreciation on straight-line method</td><td>343641</td></tr>
<tr><td>Cost</td><td></td></tr>
<tr><td>Operating cost</td><td>4800000</td></tr>
<tr><td>Maintenance cost</td><td>212098</td></tr>
<tr><td>16% ROCE</td><td>109965</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Annual outgoing for two weighbridges</td><td>5465704</td></tr>
<tr><td>No. of vehicles</td><td>68849</td></tr>
<tr><td>Cost per Vehicle</td><td>80.00</td></tr>
</table>

1,37,697 vehicles were weighed by MBPT weighbridges in docks during the financial year 2010-11. For operating each weighbridge, one Gr. I Clerk and one Mazdoor posted in each shift (3 shifts) with an average gross salary of ₹33,015/- and ₹32,416/- per month respectively (For the month of July 2011), the administrative costs works out to approx. ₹48 lakhs. The volume of vehicle weighed at MBPT weighbridge is expected to gradually reduce by 50% as and when tariff of MBPT is fixed as remaining 50% is expected to be weighed at private weighbridges.</td></tr>
<tr><td></td><td>(c). Initially MBPT had proposed to levy the dock wharfage and dock demurrage on cargo handled at bunders despite the fact that the goods lying at the bunders remain at the risk of the consignee or shipper. At the joint hearing held on 18 January 2011 almost all the user representatives expressed their opposition to this proposal. This Authority vide letter no. TAMP/46/2009-MBPT/403 dated 20 January 2011 advised MBPT to send a detailed note on the steps taken to improve the facilities at bunders along with the developmental expenditure</td><td>In the proposal forwarded to TAMP on 30.10.2009, the wharfage and demurrage charges have been considered common to both at Bunders and Docks. As such, the rates at bunders on par with docks was proposed considering the shifting of cargo from docks to bunders and lower revenue to port on account of zero stevedoring revenue and berth hire at bunders. Considering the objections raised by the trade and review suggested by TAMP, it is proposed to prescribe wharfage at bunders at 50% of the rate applicable at docks, subject to it being not less than the pre-revised wharfage rates leviable at bunders. During the joint hearing, trade had strongly expressed their</td></tr>
</table>

	incurred in the last three years and proposed to be incurred for the next three years on the various facilities at the bunders. MBPT has now proposed the wharfage rate at Bunders at 50% of the dock wharfage stating that it will undertake improvement of the facilities such as repairs to roads, repairs to wharf and Quay Wall, dredging to the extent possible and security services at bunder areas. MBPT is requested to consider whether it would be more appropriate to increase the rates at bunders after the infrastructure thereat are improved. Further, in support of the hike in bunder wharfage the port has inter-alia stated that at bunders there would be no stevedoring charges payable by the trade. This argument does not appear to be correct since no stevedoring services would be provided at bunders by the port.	displeasure about the facilities provided at Bunders and the high rates proposed. TAMP insisted to give a report on the facilities at Bunders. MBPT will undertake improvement of facilities at bunder area such as - (a). Repairs to roads (b). Repairs to wharfage and Quay Wall (c). Dredging to the extent possible (d). Security services The main cargo handled at Bunder is coal, which is semi hazardous in nature. Hence, the hike proposed can be considered justified. The port had made a proposal before the TAMP subsequent to the approval of previous revision to increase the rate of wharfage on coal to ₹35/- per ton at Bunders which was rejected by TAMP. It is proposed to reduce the wharfage rate at bunders to 50% of the rates at Dock, subject to it being not less than the pre-revised wharfage rates leviable at Bunders. With regard to the rate at bunders we have emphasized that there is likelihood of shifting of cargo from dock areas and harbour wall berth on account of taking up of project during the tariff validity period. There are no stevedoring rates at bunders as also no separate berth hire charges levied for occupation at Bunders other than monthly license fees on the barges. The proposal has been reviewed by the Board based on the objections raised by the Port users in the joint hearing and as advised by the TAMP. After re-consideration of all the aspects connected to the case, the Board has taken a considered decision to go for wharfage rate to bunders linked to wharfage rate at docks. The Board has considered and approved the proposal modifying the same for levy of 50% of wharfage at docks to be applied at bunders. Further, these are ceiling rates and the Board has power to take corrective action, if necessary depending on the conditions at different points of time. The Port is committed to improve the facilities at bunders. Flexibility in operation is also required within bunders and docks in the wake of projects coming up at docks. In consideration of all the above, it is once again submitted that the proposal to levy 50% of docks wharfage at bunders is essential and may be allowed.
	(d). Since the then existing provisions of SOR of MBPT provided for levy of demurrage on cargo inside the containers in addition to licence (storage) charges on containers, the MBPT was advised vide paragraph No.9 (xxxix) (j) of Order dated 28 September 2006 to adjust the tariff item 'demurrage on cargo in containers'	MBPT handles containers by utilizing various berths and various facilities including CFS. The operations are done by various agencies; the box rates are fixed considering the rate prevailing at JNPT. However, since the port is directly or indirectly undertaking all the activities connected with the container, structure of tariff has been defined to effect tariff control. This system may be

	as per clause 5.6.2. of the guidelines. However, the MBPT has not made any adjustment in tariff in this regard. The MBPT is, again requested to adjust this tariff item as per clause 5.6.2. of the tariff guidelines.	allowed to continue till the MBPT terminal is commissioned. In case of reduction in tariff, the port has to go for heavy cross subsidization to other cargoes, which can also be deterrent to other cargoes. Taking the overall position, it is submitted that existing provisions be allowed to continue.
	(e). Similarly, as recorded in paragraph 9 (xxxix) (m) of the Order dated 28 September 2006, the MBPT was advised to come up with a single wharfage rate for containerized cargo without linking it to the commodity wise wharfage rates prescribed in the SOR. In the proposed SOR, the MBPT has not made any modification in this direction. The MBPT is, therefore, again requested to propose a single wharfage rate for containerised cargo without linking it to the commodity wise wharfage rates.	The MBPT stated that the observations in this paragraph will be addressed. (No response was received from MBPT till the finalization of this case).
		We further submit the following points for your information. (i). The revision proposal is pending since October 2009 and the port never achieved 16% ROCE. (ii). The port still carries huge liability on account of superannuation to the tune of ₹2000 crores as on 31.3.2011. (iii). Tariff increase has not been effected for oil cargo for long time. In the peculiar situation of Mumbai Port Trust, the general cargoes are complimentary to oil cargo. While the oil cargo is committed to the Port the general cargo is vulnerable. Hence, the port is constrained not to propose the required hike in general cargo purely on cost basis. As such, increase in tariff of oil cargo is inevitable for the port. Hence, the aspect of cross subsidisation needs to be looked into under the special circumstances of this port. We are constrained to state that the hike proposed in oil cargo and general cargo is highly inevitable for the existence of the port and hence may be allowed. (iv). The cargo related charges proposed for lighterage operations at midstream may also need to be considered on its merits for the reasons and justifications stated hereinabove.

8.2. While furnishing the above additional information / clarifications the MBPT updated the cost statements with actuals for the year 2010-11 vide its letter dated 25 August 2011.

9.1 As decided at the joint hearing, the users furnished their comments on the port's revised proposal which were forwarded to the port for remarks and the MBPT responded thereupon.

9.2 The MANSA vide its letter dated 2 June 2011 made some submissions stating that they are very critical points which are hitting the trade very hard and require urgent attention to resolve the issues. It was decided to forward the communication of MANSA to MBPT for the port's comments and the reply of MBPT to be shared with the MANSA for the comments of MANSA, if any. Accordingly, a copy of MANSA letter dated 2 June 2011 was forwarded to MBPT seeking its comments. MBPT responded on the comments of MANSA. The response of MBPT was forwarded to MANSA for its comments. The MANSA has also furnished its response to the comments of MBPT, apart from reiterating its earlier comments on other issues.

10. A comparative position of the estimated traffic and financial / cost position at the existing level of tariff furnished by the port in its original proposal dated 30 October 2009, amended proposal dated 11 April 2011 and updated cost statements vide letter dated 25 August 2011 is tabulated below:

(₹ in lakhs)

Sl. No.	Particulars	Original proposal dated 30 October 2009			Amended proposal dated 11 April 2011			Updated cost statements dated 25 August 2011		
		2010-11	**2011-12**	**2012-13**	**2011-12**	**2012-13**	**2013-14**	**2011-12**	**2012-13**	**2013-14**
1.	Traffic (in MMT)	54.00	56.00	58.00	60.00	62.00	64.00	60.00	62.00	64.00
2.	Operating income	86400	89700	92903	103618	107047	111838	103618	107046	111838
3.	Operating cost (incl. depreciation, overheads and net FME)	107070	113100	119024	133082	148733	161652	157519	170537	181142
4.	Capital Employed	75284	92211	152077	76165	175522	296292	76165	175522	296292
5.	ROCE	11876	14604	24202	12015	27934	47278	12015	27934	47278
6.	Net surplus / (deficit) after return (2 – 3 – 5)	(32546)	(38004)	(50323)	(41479)	(69620)	(97092)	(65916)	(91425)	(116582)
7.	Net surplus / (deficit) as a percentage of operating income	-38%	-42%	-54%	-40%	-65%	-87%	-64%	-85%	-104%
8.	Aggregate Net deficit for the tariff cycle	(120873)			(208191)			(273923)		
9.	Average percentage of Net deficit for the tariff cycle	-45%			-65%			-85%		

11. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details are also available at our website http://tariffauthority.gov.in.

12. With reference to the totality of the information collected during the processing of this case, the following position emerges:

(i). The existing Scale of Rates (SOR) of MBPT was approved in September 2006 with validity till 31 March 2009. At the request of the MBPT the validity of the SOR has been extended from time to time and as per the Order dated 2 May 2011 of this Authority the SOR is valid till 30 September 2011.

(ii). The revised proposal of MBPT dated 11 April 2011 along with the updated cost statements furnished by MBPT under cover of its letter dated 25 August 2011 and the relevant information / clarifications offered during the processing of this case is considered in this analysis.

(iii). The existing tariff was fixed in September 2006 relying on the estimated financial / cost position for the years 2006-07 to 2008-09. Clause 2.13 of the tariff guidelines of March 2005 mandates this Authority to review the actual physical and financial performance of the Major Ports and Private Terminals thereat at the end of the prescribed tariff validity period with reference to the projections relied upon at the time of fixing the prevailing tariff. The MBPT has also operated the facilities during the years 2009-10 and 2010-11 applying the tariff fixed in September 2006. Therefore, the actual physical and financial performance of the Port during the years 2006-07 to 2008-09 and during 2009-10 and 2010-11 are discussed in the following paragraphs:

(iv). The analysis for the years 2006-07 to 2008-09 is as under:

(a). The actual aggregate traffic stood at 161.28 Million Metric Tonnes (MMT) as against the estimated traffic of 128.00 MMT showing an increase of 26% over the estimates. The year wise position of actual traffic and estimated traffic are tabulated below:

(Traffic in MMT)

Particulars	**Year**			**Total**
	2006-07	**2007-08**	**2008-09**	
Estimated Traffic	40.00	42.00	46.00	128.00
Actual Traffic	52.36	57.04	51.88	161.28
Variation (in %)	30.90%	35.81%	12.78%	26%

With reference to the variation in traffic which is more than 20%, the MBPT has clarified that the stream traffic was not considered while projecting traffic estimates for the years 2006-07 to 2008-09. It has reported that the actual stream traffic handled during the said three years aggregated to 18.13 MMT. If the actual stream traffic handled by the port is ignored for comparison purpose, the variation works out to around 12% which is below 20% mark.

(b). As per the Annual Accounts of MBPT and Dock Labour Board the aggregate operating income amounted to ₹825.81 Crores, ₹888.38 Crores and ₹870.91 Crores respectively for the years 2006-07 to 2008-09. The income of ₹13.43 Crores, ₹9.22 Crores and ₹10.48 Crores received from ONGC and considered in the accounts as income related to previous years have been added in the cost statement as income of 2006-07 to 2008-09 respectively. The rental income from quarters amounting to ₹0.73 Crores, ₹0.64 Crores and ₹0.74 Crores, accounted as operating income respectively for the said three years, has been reduced in the cost statements. Similarly, survey fee of ₹0.17 Crores received in 2006-07 was reduced from the operating income of that year. After carrying out the above adjustments, MBPT has considered the operating income as ₹838.34 Crores, ₹896.96 Crores and ₹880.65 Crores respectively for the years 2006-07 to 2008-09 in the cost statements. The above said income excluded from the operating income in the cost statement is considered under Finance & Miscellaneous Income.

The port has included the royalty / revenue share receipt of ₹296 lakhs received in 2008-09 in the operating income under cargo handling activity. For the reasons discussed in a subsequent paragraph, 50% of the royalty / revenue share received (₹148 lakhs) has been considered as cargo handling income of the respective year and the balance 50% (₹148 lakhs) has been transferred to Escrow account as per the tariff guidelines 2005. Incidentally, the MBPT has committed to maintain Escrow Account for royalty / revenue share receipts.

Relying upon the quantum of concessions / rebates reported by MBPT as granted to the trade during the years 2006-07 to 2008-09 to the tune of ₹30.35 Crores, ₹66.60 Crores and ₹86.87 Crores respectively have been added to the operating income in this analysis, following the approach adopted by this Authority in recent cases for fixation of tariff of other Major Port Trusts and Private Terminals.

This Authority in its Order of September 2006 granted 25% increase in cargo related charges (except POL) and 8% increase in vessel related charges. The revised rates came to effect from 31 December 2006, after expiry of 30 days from the date of notification of the Order. Since the impact of the upward revision of tariff is reflected by the actual income, the estimated income with reference to the increase allowed in September 2006 needs to be updated to make a correct comparison between the actuals and estimates. Accordingly, the estimated operating income in respect of the above mentioned tariff items is updated applying the increase allowed from January 2007 and for the balance tariff validity period up to 31 March 2009.

The aggregate actual operating income for the said three years amounted to ₹2799.95 Crores as against the updated estimated income of ₹2478.56 Crores, registering an increase of 13%, as tabulated below:

Particulars	Operating Income (₹ in crores)			Total
	2006-07	2007-08	2008-09	
Estimates relied upon during revision of tariff in September 2006 (adjusted for increase allowed in Sep'06 Order)	731.89	836.48	910.19	2478.56
Actual Operating income earned by the port	868.69	964.39	966.87	2799.95
Variation (in %)	+18.69%	+15.29%	+6.22%	+13.00%

(c). As per the Annual Accounts of MBPT and Dock Labour Board the aggregate operating expenditure amounted to ₹596.25 Crores, ₹682.50 Crores and ₹748.11 Crores respectively. MBPT has incurred maintenance dredging expenditure to the tune of ₹18.96 Crores in 2004-05 and ₹29.13 Crores during 2008-09 and the policy of the port is to spread this expenditure over three years. In view thereof, ₹6.32 Crores (one third of ₹18.96 Crores expended in 2004-05) has been added to the expenditure of 2006-07 and ₹ 19.41 Crores (two third of ₹29.13 Crores expended in 2008-09) has been reduced from the operating expenditure pertaining to 2008-09 and considered as expenditure in the next two years. The port has further considered ₹ 6.29 Crores, ₹19.92 Crores and ₹71.24 Crores during 2006-07, 2007-08 and 2008-09 respectively towards additional provision for wage revision reportedly to meet the shortfall in the actual provision made towards this liability in the Annual Accounts of the respective years. It is relevant here to mention that the MBPT has stated that it has made provision only to the extent of ₹80.09 Crores, ₹28.76 Crores and ₹192.96 Crores respectively towards this expenditure in the years 2007-08, 2008-09 and 2009-10. The aggregate operating expenditure including depreciation and other overheads amounted to ₹2111.21 Crores as against the estimate of ₹1899.21 Crores, registering an increase of 11%.

(d). The actual Finance & Miscellaneous Income (FMI) reported by the MBPT for the years 2006-07 to 2008-09 was at a lower level than the FMI reported in the audited annual accounts of the respective years. To a query, the MBPT has responded that it has considered only those incomes which are directly related to the services under FMI. We have modified the FMI reported by the port based on the actual FMI reported in the annual accounts excluding the interest income earned by the port. The aggregate Finance and Miscellaneous Income amounted to ₹53.49 Crores as against the estimate of ₹29.78 Crores, showing an increase of 80%.

(e). The aggregate Finance and Miscellaneous expenditure was ₹1457.58 Crores as against the estimate of ₹630.43 Crores, showing an increase of 131%. The increase is mainly on account of the MBPT considering the actual contribution made to the Pension Fund while reporting the actual position whereas the estimated pension payments was considered at the time of revision of tariff in September 2006.

(f). The tariff guidelines stipulate the norms for the various items of working capital, like inventory, sundry debtors, cash balances, etc. The MBPT has furnished value of current assets pertaining to sundry debtors, stores inventory and cash and bank balances constituting the current assets for all the years under review. It has also furnished values of current liabilities and estimated working capital for all the years 2006-07 to 2013-14. MBPT's annual accounts, however, reveal that the actual working capital is negative for the years 2006-07 to 2010-11. The working capital is, therefore, taken as nil for assessment of capital base of the port for all the years under consideration.

(f). The aggregate actual capital employed stood at ₹2019.99 Crores as against the estimated capital employed of ₹2198.85 Crores, registering a marginal decrease of 8%.

(g). After providing the maximum permissible ROCE of 15% for business assets (₹1956.15 Crores) and 7.4% for business related assets (₹63.84 Crores) aggregating ₹298.15 Crores, the aggregate net deficit amounted to ₹1013.50 Crores during the years 2006-07 to 2008-09 as against the estimated net deficit of ₹346.95 Crores.

(h). A summary of the analysis for the years 2006-07 to 2008-09 is presented in the following table:

(₹ in crores)

Particulars	2006-07 to 2008-09 (Aggregate)		
	Estimates	**Actuals**	**Variance**
Traffic (in million tonnes)	128.00	161.28	**(+) 26%**
Operating Income	2478.56	2799.95	**(+) 13%**
Operating Expenses (including depreciation & overheads)	1899.21	2111.21	**(+)11%**
Net of Financial & Miscellaneous Income and (Expenses)	(600.65)	(1404.09)	**(-) 134%**
Capital Employed (Average)	732.95	673.33	**(-) 8%**
Net surplus (deficit) after return	(346.95)	(1013.50)	**(-) 192%**

As can be seen from the above table the Port has not earned any surplus after admissible return. Therefore, the question of adjustment of any additional surplus of past period pertaining to these three years does not arise.

(v). The financial / cost position for the years 2009-10 and 2010-11 is discussed below:

(a). The performance analysis for 2009-10 and 2010-11, in the absence of any estimates, has to be carried out on the basis of the actual results of the respective years. As stated earlier, the validity of the existing SOR expired on 31 March 2009 and the extension granted beyond this date was subject to the stipulation of setting off of the full benefit accruing to the port, if any. Keeping this stipulation also in view, the actual performance of the port during the years 2009-10 and 2010-11 has been analyzed as under:

(b). The traffic of 2009-10 stood at 54.54 MMT. The aggregate operating income amounted to ₹961.41 Crores. The rent from quarters amounting to ₹0.72 Crores and accounted as operating income has been reduced in the cost statements by the port. The adjustment done by the port has been considered subject to treating the said income under Finance & Miscellaneous Income. After carrying out the above adjustment, MBPT has considered the operating income as ₹960.70 Crores for the year 2009-10. The aggregate operating income amounted to ₹1002.11 Crores after transferring ₹1.98 Crores (50% of royalty income of ₹3.96 Crores) to the Escrow account and adding the rebate/concession granted to the trade during 2009-10 as reported by the port amounting to ₹43.39 Crores.

The operating expenditure as per the Annual Accounts of MBPT and Dock Labour Board aggregates to ₹870.45 Crores. Adding ₹9.71 Crores, (one third of ₹29.13 Crores expended for maintenance dredging in 2008-09) thereto the aggregate operating cost (operating cost + depreciation + management and general administration overheads) amounted to ₹880.15 Crores, leaving an operating surplus of ₹121.96 Crores. The finance and miscellaneous income and the finance and miscellaneous expenditure for 2009-10 amounted to ₹56.54 Crores and ₹463.10 Crores respectively. The capital employed stood at ₹647.48 Crores (₹20.16 Crores business related assets and ₹627.32 Crores business assets). The ROCE thereon with 16% on business assets and 6.10% on business related assets (₹20.16 Crores) worked out to ₹101.60 Crores. The analysis thus reveals that the year 2009-10 ended with a net deficit of ₹386.20 Crores after allowing permissible return.

(c). The traffic of 2010-11 stood at 54.59 MMT. The operating income of MBPT and Dock Labour Board as per the annual accounts aggregated to ₹1028.05 Crores. The income of ₹11.93 Crores received from ONGC and considered in the accounts as income related to previous years has been added by the port in the cost statement as income of 2010-11. The rent from quarters amounting to ₹0.71 Crores accounted as operating income has been reduced in the cost statements. The above adjustments done by the port has been considered subject to treating the said income under Finance & Miscellaneous Income. After carrying out the above adjustments, MBPT has considered the operating income as ₹1039.27 Crores, for the year 2010-11. The operating income works out to ₹1074.48 Crores after transferring ₹2.41 Crores (50% of royalty income of ₹4.82 Crores) to the Escrow account and adding rebate/concession granted to the trade during the year 2010-11 reported at ₹37.62 Crores.

The aggregate operating cost, as per the Annual Accounts (operating cost+ depreciation + management and general administration overheads) amounted to ₹937.82 Crores. Adding ₹9.71 Crores, (one third of ₹29.13 Crores expended for maintenance dredging in 2008-09) thereto the aggregate operating cost amounted to ₹947.54 Crores, leaving an operating surplus of ₹126.94 Crores.

The finance and miscellaneous income and the finance and miscellaneous expenditure amounted to ₹46.65 Crores and ₹515.55 Crores respectively. The capital employed stood at ₹611.49 Crores (₹19.40 Crores business related assets and ₹592.09 Crores business assets). The aggregate ROCE thereon with 16% on business assets and 8.40% on business related assets worked out to ₹96.36 Crores. The analysis thus reveals that 2010-11 also ended with a net deficit (after return) to the tune of ₹ 438.32 Crores.

(d). The above analysis reveals that MBPT has not made any additional surplus even during 2009-10 and 2010-11 and hence here too the question of adjustment of any surplus of past period does not arise.

(vi). (a). In its initial proposal dated 30 October 2009 MBPT had projected the traffic at 56 MMT and 58 MMT for the years 2011-12 and 2012-13 respectively. The port has subsequently modified its traffic projection for these two years at 60 MMT and 62 MMT respectively. It has also projected a throughput of 64 MMT for 2013-14. The revised cargo-wise traffic position reported is as under:

(Traffic in MMT)

	2010-11 (Actual)	**2011-12** (Estimates)	**2012-13** (Estimates)	**2013-14** (Estimates)
POL	28.42	30.76	31.79	32.81
Stream Cargo	7.27	7.44	7.68	7.93
ONGC	6.45	8.92	9.22	9.52
Iron &Steel	4.61	5.04	5.21	5.34
Coal	3.86	4.12	4.26	4.39
Others	3.98	3.72	3.84	4.01
Total	**54.59**	**60.00**	**62.00**	**64.00**

(b). The actual traffic reported by the MBPT during 2010-11 is 54.59 MMT. Compared to this, the projections for the next 3 years are on a higher level. The port has projected increased throughput in respect of all the major cargo groups. However, it can be seen that higher throughput has been projected in respect of ONGC cargo handled in the off-shore and on-shore gas pipe lines laid by ONGC between Mumbai High Oil Field and ONGC's Uran Terminal. The projection for the next three years 2011-12 to 2013-14 is 60.00 MT, 62.00 MT and 64.00 MT respectively. The projection for the year 2011-12 considered by the Port is 9.91% higher than that of the actual tonnage handled during the previous year. For the years 2012-13 and 2013-14, an increase of 3.30% and 3.20% respectively is assumed by the port. The annual growth in the traffic handled by MBPT during the past four years from 2007-08 to 2010-11 is given under:

(Traffic in MMT)

2007-08		**2008-09**		**2009-10**		**2010-11**	
Traffic	% Increase	Traffic	% Increase	Traffic	% Increase	Traffic	% Increase
57.04	8.93	51.88	-9.04	54.54	5.12	54.59	0.09

It can be seen from the above table that in the past period, the growth in cargo handled by MBPT had been erratic. Considering this factor, the projection for the future years with 9.91%, 3.3% and 3.2% respectively appears to be reasonable and, therefore, the traffic projections estimated by the MBPT is relied upon in this analysis.

(vii). (a). As against the operating income reported by the port for 2010-11 at ₹1039.27 Crores, MBPT has projected the operating income for subsequent years 2011-12 to 2013-14 is at ₹1036.18 Crores, ₹1070.46 Crores and ₹1118.38 Crores respectively. While estimating the operating income for 2011-12 to 2013-14 MBPT has considered the income projected by it for the Budget Estimates of 2011-12 which might have been finalized by the port during September/October 2010 when the throughput and revenue of even 2010-11 had to be estimated based on the working results of 6 to 7 months commencing from April 2010. The estimate of income framed for 2011-12 to 2013-14 as early as in the later part of the year 2010 should have been reworked by the port to reflect a reasonably correct estimate. This is all the more necessary as the port has revised the throughput of 2011-12 from 56 MT to 60 MT. This approach of retaining the BE 2011-12 figures has resulted in estimating lower income vis-à-vis the actual operating income of 2010-11. The MBPT has also not furnished detailed workings for estimation of income taking into consideration the existing Scale of Rates and the estimated throughput. The income estimates furnished by the MBPT are modified as discussed in the subsequent paragraphs.

(b). As per the Annual Accounts 2010-11 of the port and the dock labour board the cargo handling, vessel related, railway, estate and stevedoring activities generated operating income of ₹481.04 Crores, ₹356.67 Crores, ₹9.48 Crores, ₹107.88 Crores and ₹72.98 Crores respectively aggregating to ₹1028.05 Crores. In the cost statement, after internally reconciling the income from various activities, the port has considered the income from cargo handling, vessel related, railway, estate and stevedoring activities at ₹506.71 Crores, ₹342.92 Crores, ₹9.48 Crores, ₹107.17 Crores and ₹72.98 Crores respectively aggregating to ₹1039.27 Crores. The difference of ₹11.22 Crores (₹1039.27 Crores minus ₹1028.04 Crores) is due to deduction of the rent from quarters amounting to ₹0.71 Crores from estate income and addition of ₹11.93 Crores received from ONGC to the cargo handling income as explained in earlier part of this note.

The adjusted actual operating income considered for the year 2010-11, as explained earlier, from cargo handling, vessel related, railway, estate and stevedoring activities are ₹541.52 Crores, ₹343.22 Crores, ₹9.48 Crores, ₹107.18 Crores and ₹73.08 Crores respectively aggregating to ₹1074.48 Crores. The activity / sub-activity wise estimated operating income furnished by the port for the years 2011-12 to 2013-14 have been modified taking into account the adjusted activity wise actual operating income for the year 2010-11 as stated above, except in respect of vessel related activity which is discussed separately.

(c). The operating income from cargo handling activity for 2011-12 to 2013-14 has been projected by MBPT at ₹497.48 Crores, ₹513.92 Crores and ₹542.05 Crores respectively on the estimated throughput of 60 MMT, 62 MMT and 64 MMT for the respective years. When pointed out about the lower estimation of income as compared to the actual income of 2010-11 taking into account the actual traffic of 2010-11 and projected throughput for future years at a higher level, port initially informed that cargo handling income would vary on account of cargo mix and it cannot be directly proportional to the throughput level. Subsequently in its letter dated 25 August 2011, the Port informed that the actual income of 2010-11 includes additional income of ₹14.76 Crores due to some disputes arising out of two accidents that took place in the port during the year 2010-11. That being so, while projecting the income from cargo handling activity for the next three years the above mentioned abnormal income of ₹14.76 Crores has been excluded.

The estimated income from POL sub-activity for the years 2011-12 to 2013-14 has been considered based on the actual POL income for the year 2010-11 adjusted to the estimated POL throughput for the said three years. Similarly, the income from ONGC cargo has been estimated for the future years based on the actual income of the year 2010-11 adjusted to the ONGC cargo traffic estimation for the said three years. As a measure of abundant precaution, it is clarified that recognition of the income from ONGC in the tariff revision exercise is only to assess the financial / cost position for the port as a whole and should not be construed as endorsement of the stand taken by the MBPT in respect of disputes between the port and ONGC as regards the MBPT levying charges towards Way Leave Fees and compensation by way of notional wharfage charges for granting permission to lay off-shore and onshore oil and gas pipelines between Mumbai Oil Field and Uran Terminal. This Authority maintains its position in this regard as observed by it in its Order dated 28 September 2006 disposing off the proposal of the MBPT for general revision of its Scale of Rates.

The income from other sub-activities under cargo handling activity, viz. docks, bunders, crane and uncleared warehouse has been estimated for the next three years taking the actual income of the respective sub-activity for the year 2010-11 and adjusted to the estimated throughput (excluding POL and ONGC) for the years 2011-12 to 2013-14.

The MBPT has considered the entire royalty receipts estimated to be received from the ICTPL and from OCT project as operating income under cargo handling activity. It has not considered any royalty / revenue share receivable from the private weighbridge operator as income though it has subsequently furnished the estimates in this regard.

As discussed in the later part of this analysis, 50% of the estimated royalty / revenue share receipts from the private operators during the years 2011-12 to 2013-14 are transferred to Escrow Account and the balance 50% is considered as income for the respective years under cargo handling activity.

To sum up, the estimated cargo handling income has been reckoned at ₹543.21 Crores, ₹561.20 Crores and ₹585.10 Crores as against the estimates of MBPT at ₹497.48Crores, ₹513.92 Crores and ₹542.05 Crores respectively.

(d). The adjusted operating income from the vessel related activity amounted to ₹343.22 Crores during 2010-11. For the years 2011-12 to 2013-14, the income from this activity has been projected by MBPT at ₹364.34 Crores, ₹376.47 Crores and ₹388.62 Crores respectively. Though the port has furnished service wise break-up of actual / estimated income under vessel related sub-activities for the relevant years, it is not supported with workings at the existing Scale of Rates. Further, the MBPT has also not furnished the actual / estimated GRT of vessels for the past / future years in support of the actual / estimated vessel related income. Taking the BE income estimated for the year 2011-12, as base the port has projected the income for the next two years in respect of sub-activities Port dues, Berth Hire charges, Pier dues and Pilotage & Towage in tandem with the total cargo projection. With respect to the other two sub-activities dry docking and ship breaking the basis for estimation is not explained.

In the absence of detailed workings and aggregate GRT for each category of vessels, the income estimates furnished by the MBPT for all the sub-activities under vessel related activity for the years 2011-12 to 2013-14 are relied upon in this analysis.

As per Clause 2.5.1 of the tariff guidelines income projections should take into account effect of foreign exchange fluctuations of income from dollar denominated tariff items. Accordingly, the vessel related income estimates furnished by the MBPT are adjusted with reference to the exchange rate prevailing at the time of analysis of this case. Port has reported that about 80% of the income from vessel related activity is generated from dollar denominated tariff items. Further, while projecting the income for dollar denominated tariff, the MBPT has reportedly considered the exchange rate of 1 US$=₹43.32 for the ensuing three years. The exchange rate at the time of finalizing this analysis is 1 U.S. $=₹45.56. Therefore, 80% of the estimated vessel related income for the future period commencing from September 2011 till March 2014 is adjusted considering the exchange rate of ₹45.56 per US $. In respect of the first five months (April – August) of 2011-12 the estimated vessel related income is adjusted considering the average exchange rate of ₹44.78 per US Dollar prevailed during that period.

Although storage fees on cargo containers is also dollar denominated, no moderation in this regard is carried out since MBPT has not projected any container storage income for these years due to the privatization of the container handling activity.

With the above modifications, the income from vessel related activity for the years 2011-12 to 2013-14 works out to ₹377.22 Crores, ₹392.04 Crores and ₹404.70 Crores respectively as against the estimate of MBPT at ₹364.34 Crores, ₹376.47 Crores and ₹388.62 Crores.

(e). The MBPT has proposed concessional tariff for coastal vessels / cargo at 60% of the tariff prescribed for normal cargo/container/foreign-going vessels in line with the existing tariff guidelines. The guidelines do not enforce restatement of coastal rates with reference to prevailing exchange rate at the time of each general revision of Scale of Rates. The existing rates of coastal vessels / containers will, therefore, undergo revision to the extent the increase/decrease, if any, in tariff decided in the respective tariff category.

(f). The operating income from the railway activity has been estimated by the port in the cost statements at ₹6.45 Crores, ₹6.67 Crores and ₹8.66 Crores respectively, for the three years 2011-12 to 2013-14. Though it has furnished the item-wise break up of railway income it has not furnished the detailed working for the same. Compared to the actual income of ₹9.48 Crores for 2010-11, the income estimate for the above three years is on the lower side. The MBPT has not furnished the details of actual and estimated rail borne traffic for the relevant years. The income for the next three years, in the absence of these details, has been considered at ₹9.48 Crores per annum, at par with the actual income of 2010-11.

Incidentally, the railway activity discloses huge deficit even before allowing ROCE. MBPT was, therefore, requested to clarify how it would make this activity financially self reliant. Port was also requested to state whether it has taken up with the Railway Board for revision of rates under this activity. MBPT has replied that as per one tripartite agreement, the revision of railway tariff is done by Railway Board. The port has further stated that the present agreement is in force since 1989 and the work of revision of tripartite agreement is in progress. It is relevant to mention here that reportedly the Railway Authority has recently taken a policy decision to review the terminal charges at major ports every two years. Even during the last revision of tariff of MBPT in September 2006, this Authority had advised the port to take up the matter with the Railways for upward revision of Railway charges. The burden of cross-subsidization arising in the context of railway working is borne by other commodities / activities which may not use railway services of the port. Therefore, the MBPT is once again advised to expedite the matter with the Railways for upward revision of the railway charges.

(g). The operating income from the estate activity has been estimated by the port in the cost statements at ₹99.21 Crores, ₹102.42 Crores and ₹105.76 Crores respectively, for the three years 2011-12 to 2013-14. The port has not furnished detailed workings in support of its estimation in terms of area allotted and rate considered under each category of land. Compared to the actual income of ₹107.18 Crores for 2010-11, the income estimates for the above three years is on the lower side. This is primarily due to the port not having carried out its income estimate of 2011-12 with reference to the actual income realized in 2010-11. The income for the next three years has hence been considered at ₹111.46 Crores, ₹115.92 Crores and ₹120.55 Crores respectively, based on the actual income of 2010-11 applying an escalation factor of 4% per annum prescribed in the 'Land Policy for Major Ports 2010'.

The income from estate rentals are considered in this proposal only to ascertain the overall financial / cost position of the port and to see whether the surplus, if any, arising from this activity could be utilized to cross subsidize other deficit making activities, as provided in clause 2.11.5 of the tariff policy guidelines.

(i). The operating income from the stevedoring activity has been estimated by the port at ₹68.70 Crores, ₹70.98 Crores and ₹73.28 Crores respectively, for the three years 2011-12 to 2013-14. The adjusted income from this activity, on a throughput of 54.59 MMT for the year 2010-11 was ₹73.08 Crores. As the port has not furnished detailed workings in support of its estimation, the revenue from this activity has to be reckoned in tandem with the estimated throughput (excepting POL traffic and ONGC cargo) to be handled in the ensuing three years. On this basis, the stevedoring income has been estimated at ₹75.30 Crores, ₹77.79 Crores and ₹80.31 Crores respectively, for the three years 2011-12 to 2013-14.

(viii). As per the annual accounts of the Port and the Dock Labour Board the aggregate operating expenditure excluding depreciation and general overheads for 2010-11 stood at ₹ 676.78 Crores. MBPT has estimated the operating cost for the years 2011-12 to 2013-14 at ₹719.87 Crores, ₹797.72 Crores and ₹850.39 Crores respectively. While projecting the operating expenditure for 2011-12, the port has considered an increase of 7.91 % over its estimated expenditure of 2010-11. For the next two years the port has considered an increase of 10.81% and 6.60% over the previous years. The estimates of MBPT for the years 2011-12 to 2013-14 are moderated applying the annual escalation factor of 6% adopted by this Authority for the tariff cases to be decided during the year 2011-12 taking the actuals for the year 2010-11 as base, subject to the following. As per clause 2.5.1 of the tariff guidelines of March 2005, the expenditure projections should be in line with traffic adjusted for price fluctuation with reference to current movement of WPI. Since the details of variable and fixed components of operating expenditure are not made available, the estimates of operating expenditure could not be adjusted for traffic variation. However, as stated above, escalation @ 6% p.a. has been considered over the actuals of 2010-11.

The MBPT has considered the impact of wage revision for Class III and IV employees from 1 January 2012 in its estimates at 15% hike in the wage cost. The estimates of MBPT also cover the impact of reduction in wage cost due to attrition of employees during the tariff cycle under consideration.

The impact of the wage revision in the estimation of salaries & wages cost at 15% was considered by this Authority earlier in deciding the general revision proposals of the Major Port Trusts. In line with this approach, the impact of wage revision at 15% of the average per employee wage cost pertaining to the year 2010-11 is captured in the estimated operating expenditure and management and general overheads for the period from 1 January 2012 to March 2014.

The total estimated operating expenditure for the years 2011-12 to 2013-14 is considered at ₹717.48 Crores, ₹778.83 Crores and ₹830.32 Crores respectively.

(ix). As per clause 2.6.2 of the tariff guidelines manning scale/datum for different services has to be reckoned at the levels followed by port based on various settlements. It also states that with the technological changes in operation, the port should take necessary action to conduct time and motion study and regularly adjust manning scale/datum accordingly after due process of law. In fact, the National Tribunal Award of 2006 has been notified on manning scales for implementation by the port. When the attention of MBPT was drawn in this regard, the port informed that the datum for all types of cargo was last determined in 1994 and although the cargo composition has changed since last few years from light small mixture of bags, cartons, cases, crates, bales to heavy loads, such as coils, billets, etc. and other unitized cargoes, such as wood pulp, wooden logs, etc. and bulk cargo is being handled with the help of grabs and pay loaders, the methodology remains the same. The port has further stated that though efforts have been made to revise the datum based on average output of preceding 3 years and also to implement the National Tribunal Award, there has been no positive response from the Unions for reduction in manning scale and rationalization of datum. In the stated circumstances, this Authority reiterates that the port should take immediate action as stipulated in clause 2.6.2 of the tariff guidelines of March 2005.

(x). Clause 2.7.1 of the Tariff guidelines of March 2005 stipulates that for the purpose of depreciation of assets straight line method following the life norms adopted as per the Companies Act will be allowed in the case of Port Trusts. On a specific query MBPT has confirmed that the depreciation of assets has been computed as specified in clause 2.7.1 of the revised guidelines. However, it appears that it has calculated the depreciation on straight line method as per the life norms fixed by the Government. While the estimates of depreciation furnished by the port are relied upon in this analysis, the MBPT is advised to adhere to the norms prescribed in the tariff guidelines during the next review of its tariff. As the additions to capital asset is modified as explained in the later part of this analysis, the depreciation estimate is modified in line with the changes made in the additions to the gross block.

(xi). (a). The annual accounts of the Port and the Dock Labour Board reveal an aggregate amount of ₹213.49 Crores as Management and General Overheads for 2010-11. The Port has considered in the cost statement the management and general overheads for the years 2011-12 to 2013-14 at ₹282.90 Crores, ₹311.65 Crores and ₹333.84 Crores respectively. The overhead projections, however, have been moderated by applying the annual escalation factor of 6% adopted by this Authority for the tariff cases to be decided during the year 2011-12 taking the actuals for the year 2010-11 as base and also capturing the impact of wage revision due from 1 January 2012 for Class III & IV employees, as stated earlier. With the said moderation, the management and general overheads expenditure for the years 2011-12 to 2013-14 is considered at ₹226.34 Crores, ₹249.05 Crores and ₹266.39 Crores respectively.

(b). The port has confirmed that management and general overheads are apportioned between the main activities and sub-activities in line with the instructions given in the cost statement formats prescribed in the tariff guidelines. The position reported by the port is relied upon in this analysis.

(xii). (a). MBPT has considered ₹11.83 Crores per annum as the estimated Finance & Miscellaneous income (FMI) for all the three years of 2011-12 to 2013-14. To a query raised in this regard, the MBPT has stated that the F&M income cannot be accurately estimated. The estimates of MBPT is found comparable with the actual FMI (excluding prior period income) reported for the year 2010-11. Accordingly, the FMI estimated by the port for the years 2011-12 to 2013-14 is relied upon.

(b). The Finance & Miscellaneous Expenses (FME) consists of contribution to the Pension Fund and payment towards Performance Linked Reward (PLR) to its employees. As per the actuarial valuation of its pension liability as on 31 January 2011 done by the LIC, the total pension fund liability for the existing employees and pensioners of MBPT as well as the BDLB has been assessed at ₹ 5409.21 crores. After considering the pension fund balance of ₹3753.21 crores as on 31 March 2011 as reported by the port, there is a shortfall to the tune of ₹ 1656.00 crores in the pension fund as on 31 March 2011. Incidentally, the MBPT has reported that the pension liability in respect of employees of BDLB rests with MBPT as per the settlement of 1994 while taking over the BDLB. The MBPT has proposed to contribute ₹ 500 Crores per year in the years 2011-12 to 2013-14 to bridge the gap in the Pension Fund. Accordingly, the annual contribution of ₹ 500 Crores proposed by the MBPT is considered under FME for the years 2011-12 to 2013-14.

Apart from the contribution to the Pension Fund, the MBPT has estimated payment of PLR at ₹14.66 Crores per annum, based on the actual PLR payment for the year 2010-11.

Thus, the FME amounting to ₹514.66 Crores estimated by the MBPT each for the years 2011-12 to 2013-14 is considered in this analysis.

(xiii). (a). As per the Annual Accounts, MBPT's net block as on 31 March 2011 stands at ₹611.42 Crores. The port has proposed additions to its capital assets to the tune of ₹207.17 Crores, ₹1090.71 Crores and ₹1336.80 Crores respectively for the years 2011-12 to 2013-14, which are discussed below:

<u>Year 2011-12</u>:
The details of capital expenditure of ₹207.17 Crores envisaged in 2011-12 is listed below:

		(₹ in crores)
Replacement of VTMS	-	36.41
Improvement of rail connectivity between Wadala and Kurla	-	131.00
Improvement of road connectivity in Messent Road	-	4.76
Improvement of road connectivity in Anik-Panjarpol Road	-	35.00
Total	-	207.17

Of the capital expenditure envisaged in 2011-12, the work of improvement of road connectivity in Messent Road is already completed and capitalized in the earlier year as confirmed by the port. Hence, the same is not considered. Replacement of VTMS is expected to be completed in the said year. Though VTMS will be commissioned by MBPT, it will be utilized both by MBPT and JNPT. It is understood from MBPT that the terms under which its capital cost and maintenance expenditure will be shared is yet to be finalized. In view thereof, the investment presently proposed by MBPT is considered in full for the purpose of ROCE and if JNPT shares any capital expenditure, appropriate adjustment thereof should be made at the time of next tariff review of MBPT.

The expenditure of ₹131.00 Crores estimated towards payment to Central Railway for providing rail connectivity between Wadala and Kurla which falls outside the territorial jurisdiction of the port. This Authority has already held in its earlier Order dated 28 September 2006 that since this investment will not become an asset of the port, it is not considered as addition to the gross block. Similarly, since the amount of ₹35.00 Crores considered by the port as capital expenditure towards payment to the State Govt. for providing improvement of road connectivity in Anik-Panjarpol Road also will not become an asset of the port, it is not considered as an addition to the gross block.

Year 2012-13:
The details of capital expenditure of ₹1090.71 Crores envisaged in 2012-13 is listed below:

		(₹ in crores)
Construction of two Off-shore Container Berths on BOT basis	-	621.71
Construction of second chemical Berth at Pir Pau	-	116.00
Dredging and infrastructure for Handling bigger ships at Harbour Wall, Indira Dock	-	353.00
Total	-	1090.71

Construction of the two off-shore container berths is on BOT basis and the MBPT has envisaged to invest ₹621.71 Crores towards capital dredging (₹540 Crores), filling the P&V Docks (₹60 Crores) and laying rail tracks to RCD and road improvement works (₹21.71 Crores). MBPT has reported that the revised cost estimate awaits the approval of its Board and work is expected to be completed during the year 2012-13.

As per the concession agreement entered into between MBPT and the BOT Operator it is obligatory on the part of the Port to complete the capital dredging, filling the P&V Docks, laying of rail tracks to RCD and making improvement to certain identified roads and hand over the same to the BOT Operator. The benefit of capital dredging, additional area at the docks, RCD facility etc., will be availed, on the commissioning of the off-shore berths, only by the containers and the vessels visiting the off-shore berths and it may not be appropriate to burden the vessels and cargo interests not availing these facilities to share the cost incurred by the Port by way of increased tariff.

However, in respect of the investment relating to capital dredging, the MBPT is advised to come up with a proposal at the appropriate time for levy of a surcharge on vessel related charges to be collected by MBPT on the vessels that may visit the new facility.

With reference to the estimated capital expenditure for filling the P&V Docks, the concession agreement stipulates that from the date of handing over the filled area of P&V Docks to the BOT Operator, MBPT would receive ₹180 per square meter per annum as licence fees. In case the filling is done by the private operator, it stipulates a lower rate of ₹120/- per sq. m. which shows that the MBPT would get additional income by way of licence fee on account investment envisaged towards filling up of the area. It is also relevant here to mention that the income estimates of MBPT do not appear to capture this additional income to be earned by the Port during the tariff cycle under consideration. As it may not be appropriate to consider the investment alone without capturing the income arising out this investment, the proposed investment towards filling up of the area is not considered in this analysis.

Further, the port would receive the revenue share from the BOT Operator on complying with the licensor's obligations as per the concession agreement, which may be used by the port to meet out the investment in respect of other works, viz. laying of rail tracks and road improvement works. To sum up, said investment proposed by MBPT is not considered in this analysis at this juncture.

In respect of construction of the second chemical berth at Pir Pau, it is reported by MBPT that the tenders have been invited for civil work and price bids have been opened for dredging work. The work is presently held up for want of some statutory clearance and the port expects that the project will be completed in 2012-13. Considering the present status of the work and keeping in view the completion period of about 14 months, the project may not be commissioned in 2012-13 but may stretch over to the year 2013-14. Therefore, this item of capital expenditure is considered in the year 2013-14 instead of 2012-13.

For the project of dredging and infrastructure development for handling bigger ships at 18 to 21 Harbour Wall, Indira Dock, it is reported by MBPT that the tenders have been invited for dredging work which is stated to be a major component of the project. The tenders are due for submission in September 2011 and to be processed thereafter. Considering the time required for processing the tenders and the execution period of about two years and six months, the asset may be commissioned only by the middle of 2014 which falls beyond the tariff cycle under consideration. Therefore, the proposed investment is not considered in this analysis.

<u>Year 2013-14</u>:
The details of capital expenditure of ₹1336.50 Crores envisaged in 2013-14 is listed below:

		(₹ in crores)
Deepening and widening of common portion of main channel of Mumbai Harbour	-	175.00
Construction of a New Cruise Terminal at Gateway of India	-	500.00
Construction of the fifth oil berth at Jawahar Dweep	-	661.50
Total	-	1336.50

The project of deepening and widening of common portion of main channel of Mumbai Harbour is to be carried out by JNPT at an estimated cost of ₹1400.00 Crores. MBPT has envisaged to contribute one eighth of the expenditure and has considered the same as capital expenditure during the year 2013-14 at ₹175 Crores. The MBPT has reported that the Revised Cost Estimate (RCE) is under submission to the Government for sanction by JNPT. Considering the project period of 27 months, the work is not likely to be completed in this tariff cycle. Therefore, this capital addition is also not considered in this analysis.

The project of construction of a New Cruise Terminal at Gateway of India as reported by the MBPT is still in the preliminary stage. Due to some objections raised by the Navy, even the project location whether at Gateway of India or at Nariman Point is yet to be crystallized. Further, the project may not materialise in this tariff cycle. Therefore, the proposed capital addition is not considered in this analysis. Incidentally, the MBPT has stated that no additional port capacity or additional income would be generated out of this expenditure. Therefore, the proposed capital expenditure in this regard may have to be considered in the next tariff cycle depending on the merits of the case.

As far as the construction of the fifth oil berth at Jawahar Dweep is concerned, from the status of the project reported by the port, it appears that the project is in very preliminary stage and the DPR submitted by the consultant is yet to be accepted by the port. In such a scenario, it may not be appropriate to consider the proposed capital expenditure in this tariff cycle. Therefore, this capital addition too is not considered in this analysis.

(b). The MBPT has submitted the project details including copies of documents relied upon for taking most of these investment decisions referred to above. The capital additions considered in this analysis is based on the information furnished by the MBPT in this regard. If any, undue advantage is found to have accrued to MBPT due to wrong estimation, adjustment will be made in the tariff at the time of next review. Similarly, if the MBPT is in a position to complete and commission the projects which are not specifically disallowed but the investments are not considered in this analysis, it may come up with a suitable tariff proposal with cost details, six months before the scheduled date of commissioning of the facility for consideration of this Authority.

(c). The classification of gross block of assets into business-assets and business-related assets as furnished by the MBPT is relied upon. The Port has stated that it has no social obligation assets. MBPT has further confirmed that only completed and commissioned assets alone are counted for capital employed. It has also confirmed that the assets handed over to the BOT operator have not been considered in the proposal.

(d). For the reasons explained in the earlier part of this note, the working capital is taken as nil for the years 2011-12 to 2013-14.

(e). The moderated capital employed for the port as a whole for the years 2011-12 to 2013-14 works out to ₹585.52 Crores, ₹523.14 Crores and ₹574.83 Crores respectively as compared to the estimates of MBPT at ₹761.65 Crores, ₹1755.21 Crores and ₹2962.92 Crores for the corresponding years.

(xiv). Clause 2.8.3 of the tariff guidelines March 2005 stipulates that the revenue share / royalty receivable by the landlord Port Trust should be applied first to meet cost of surplus labour, if any and atleast 50% of the balance should be maintained in an Escrow Account for creation / modernization of port infrastructure facilities within a period of 5 years. The accruals in Escrow Account will not be treated as revenue of the port for tariff fixing exercise and the expenses incurred for infrastructure development out of this Escrow Account will not qualify for ROCE. The guideline further stipulates that the entire accrual will be taken as revenue of the port for tariff fixation if the funds in the Escrow Account are found to have been not utilized for the stated purpose within the stipulated time. MBPT was advised to create and maintain an Escrow Account for recording inflows of royalty receipts from private operator and the outflows to meet expenditure on account of infrastructure development. Though the MBPT initially stated that opening of escrow account is not mandatory and it is required to be done only when the port proposes to segregate this income, out of income considered for tariff fixation, it has subsequently agreed to open and maintain the Escrow Account as per the guidelines. The actual and estimated revenue share receipts, its utilization, if any, and the balance available in the Escrow Account as at the end of the year for all the years under consideration are given in the following table:

(₹ in lakhs)

Particulars	**Actuals**			**Estimates**		
	2008-09	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**
Royalty / Revenue share receipts	296	396	482	442	452	1621
Less: 50% considered as income	148	198	241	221	226	810

Balance notionally transferred to Escrow Account	148	198	241	221	226	811
Cumulative balance of Escrow Account at the end of the year	148	346	587	808	1034	1845
Minimum amount to be spent on infrastructure development in the tariff cycle	0	0	0	0	148	198

The tariff to be fixed for MBPT for the next tariff cycle is including the year 2013-14. Tariff guidelines stipulate a time limit of 5 years for utilisation of at least 50% of the royalty / revenue receipt. That being so, 50% of the royalty / revenue share receipt pertaining to the years 2008-09 and 2009-10 should be utilised for creation of infrastructure assets at least by the years 2012-13 and 2013-14 respectively. Accordingly, it may be seen from the above table that the accruals in Escrow Account amounting to ₹148 lakhs and ₹198 lakhs respectively has to be expended by the Port within the years 2012-13 and 2013-14 respectively for creation of infrastructure assets.

Therefore, the amount of ₹ 148 lakhs and ₹ 198 lakhs during the years 2012-13 and 2013-14 respectively are required to be adjusted against the additions to the capital assets of the corresponding years. Since the value of additions to gross block is considered as 'nil' for the year 2012-13, the amount of ₹ 148 lakhs is adjusted against the addition to the gross block considered for the year 2011-12 amounting to ₹ 3641 lakhs towards replacement of VTMS. For progressive adjustment, the adjusted net block of the year 2011-12 is carried forward for the subsequent years 2012-13 and 2013-14 of the current tariff cycle. The amount of ₹198 lakhs is adjusted against the proposed investment of ₹11600 lakhs considered in the year 2013-14 towards construction of second chemical berth at Pir Pau. The return is allowed on the adjusted capital employed of the respective years.

(xv). (a). The tariff guidelines stipulate that return on capital employed allowed should be linked to the utilization factor of the capacity of the port. The MBPT has assessed the capacity of the port at 49.70 MMT for the year 2010-11 which is 2 MMT more than the capacity of 2009-10, presuming that the construction of the second chemical jetty would augment the capacity by 2 million tones. For the year 2011-12 also the port has considered the capacity at 49.70 MMT. For the next two years 2012-13 and 2013-14 the port has assessed the capacity at 70.30 tonnes; an addition of 20.6 MMT towards commissioning of new projects / facilities, viz. two off shore container berths (9.60 MMT), five harbour wall berths at Indira Dock (7.00 MMT) and Fifth Oil Jetty in replacement of Fourth Oil Jetty (4.00 MMT). Since no detailed computation of designed capacity is made available, the correctness of this position reported by the MBPT could not be verified.

As discussed earlier, additions to the gross block proposed by the MBPT are modified. Considering such modifications, the capacity of the port works out to 47.40 MMT for the years 2011-12 and 2012-13 and 49.40 MMT for the year 2013-14. Based on the revised capacity and estimated traffic (excluding ONGC and on shore cargo traffic transported through pipelines), the estimated capacity utilization for the years 2011-12 to 2013-4 works out to 100%, 103.18% and 102.40% respectively which may perhaps be due to stream and anchorage operations. It is relevant here to mention that the MBPT has not furnished detailed computation for capacity of the port. Therefore, the capacity furnished by the port could not be verified. However, it can be reasonably stated that the Port will achieve the 60% capacity utilization, the limit prescribed in the tariff guidelines of March 2005 for allowing maximum ROCE. Therefore, the

MBPT is allowed maximum ROCE of 16% on the business assets. A return at risk free rate of 8.20% is allowed on the business related assets.

(xvi). In light of the analysis given above, the cost statements for the port as a whole and different main activities have been modified. The modified cost statements are attached as **Annex-I (a)** to **(f)**.

(i). Summarized results for the port as a whole and for main activities are given in the following table:

(₹ in crores)

Sl. No.	Particulars	Operating Income				Net Surplus / (Deficit)				Net Surplus (+) / Deficit (-) as a % of Operating Income			
		2011-12	2012-13	2013-14	Total	2011-12	2012-13	2013-14	Total	2011-12	2012-13	2013-14	Average
1.	MBPT as a whole	1116.68	1156.45	1200.13	3473.26	(484.55)	(519.03)	(554.29)	(1557.87)	(-) 43.39%	(-) 44.88%	(-) 46.18%	(-) 44.85%
2.	Cargo handling	543.21	561.21	585.09	1689.51	(198.93)	(216.86)	(219.06)	(634.85)	(-) 36.62%	(-) 38.64%	(-) 37.44%	(-) 37.58%
3.	Vessel related	377.23	392.05	404.70	1173.98	(55.98)	(57.88)	(78.00)	(191.86)	(-) 14.84%	(-) 14.77%	(-) 19.27%	(-) 16.34%
4.	Railway	9.48	9.48	9.48	28.44	(65.67)	(69.06)	(72.03)	(206.76)	(-) 692.44%	(-) 728.17%	(-) 759.48%	(-) 726.70%
5.	Estate	111.46	115.92	120.55	347.93	14.74	13.00	11.97	39.71	(+) 13.22%	(+) 11.21%	(+) 9.93%	(+) 11.41%
6.	Stevedoring	75.30	77.79	80.31	233.40	(178.71)	(188.23)	(197.17)	(564.11)	(-) 237.31%	(-) 241.99%	(-) 245.53%	(-) 241.70%

(ii). Summarized results of the various sub-activities under cargo handling and vessel related activities are given below:

Sl. No.	Particulars	Operating Income (₹ . in crores)				Net Surplus (+) / Deficit (-) (₹ in crores)				Net Surplus (+) / Deficit (-) as a % of Operating Income			
		2011-12	2012-13	2013-14	Total	2011-12	2012-13	2013-14	Total	2011-12	2012-13	2013-14	Average
A	Cargo handling												
1.	General cargo Docks	193.58	199.95	212.20	605.73	(355.74)	(380.33)	(391.03)	(1127.10)	(-) 183.77%	(-) 190.22%	(-) 184.27%	(-) 186.08%
2.	Bunder	21.60	22.31	23.03	66.94	(4.03)	(4.60)	(4.80)	(13.43)	(-) 18.67%	(-) 20.62%	(-) 20.83%	(-) 20.06%
3.	Crane	1.47	1.52	1.57	4.56	(3.76)	(4.01)	(4.20)	(11.97)	(-) 254.94%	(-) 263.32%	(-) 267.19%	(-) 261.94%
4.	Uncleared Warehouse	144.58	149.35	154.18	448.11	79.20	80.29	82.37	241.86	(+) 54.78%	(+) 53.76%	(+) 53.43%	(+) 53.97%
5.	POL	181.98	188.08	194.11	564.17	85.40	91.79	98.60	275.79	(+) 46.93%	(+) 48.80%	(+) 50.80%	(+) 48.88%
	Sub total	543.21	561.21	585.09	1689.51	(198.93)	(216.86)	(219.06)	(634.85)	(-) 36.62%	(-) 38.64%	(-) 37.44%	(-) 37.58%
B	Vessel related												
1.	Port Dues	100.00	103.93	107.28	311.21	80.81	83.50	85.70	250.01	(+) 80.81%	(+) 80.34%	(+) 79.88%	(+) 80.33%
2.	Berth Hire	67.75	70.42	72.69	210.86	(76.41)	(81.01)	(84.44)	(241.86)	(-) 112.77%	(-) 115.05%	(-) 116.17%	(-) 114.70%
3.	Pier Dues	64.47	67.00	69.17	200.64	(51.12)	(50.90)	(70.20)	(172.22)	(-) 79.29%	(-) 75.97%	(-) 101.50%	(-) 85.83%
4.	Dry docking	7.77	8.07	8.33	24.17	(11.93)	(12.28)	(12.49)	(36.70)	(-) 153.69%	(-) 152.15%	(-) 149.91%	(-) 151.87%
5.	Pilotage & Towage	116.41	120.99	124.89	362.29	(15.57)	(16.05)	(15.96)	(47.58)	(-) 13.38%	(-) 13.27%	(-) 12.78%	(-) 13.14%
6.	Ship breaking	20.83	21.64	22.34	64.81	18.24	18.86	19.39	56.49	(+) 87.57%	(+) 87.15%	(+) 86.79%	(+) 87.16%
	Sub total	377.23	392.05	404.70	1173.98	(55.98)	(57.88)	(78.00)	(191.86)	(-) 14.84%	(-) 14.77%	(-) 19.27%	(-) 16.34%

(iii). (a). As brought out in earlier part of this note, the MBPT has proposed an across-the-board increase of 30% in the tariff. The tariff increase proposed by the port requires to be justified in terms of the tariff guidelines of March 2005 with reference to the cost position obtaining at the MBPT. The summarized results brought out at sub-paragraphs (i) & (ii) above are analyzed below for admissibility of the proposed hike in rates for the respective sub-activities of the MBPT.

(b). The estimated financial position at the existing level of tariff for the port as a whole shows an aggregate deficit of ₹1557.87 Crores for the three years in consideration which is primarily due to the pension liability. Therefore, there is a case for upward revision of existing tariff at the MBPT. Incidentally, it is to be noted that the estate activity is in a surplus position to the tune of ₹ 39.71 crores while all other main activities are in deficit position. With reference to the surplus position depicted by the estate activity, it may be recalled that the estate activity can be a contributor to meet the deficit position in the port operations as stipulated in clause 2.11.5 of the tariff guidelines of March 2005. Therefore, and keeping in view that the cargo handling activity shows a substantial deficit as compared to the vessel related activity, the estimated surplus of the estate activity can contribute to the cargo handling activity to reduce the deficit position of cargo handling activity. Thereby, the deficit of cargo handling activity amounting to ₹634.85 crores stands reduced to ₹595.14 crores.

(c). Of the cargo related services, the sub-activities general cargo handled at docks, cargo handled at Bunders and crane services are in deficit position. The other two sub-activities namely, uncleared warehouse and handling POL are in surplus position. The MBPT has sought an across the board 30% increase in all cargo related charges including POL and Uncleared warehouse which are in surplus. As far as the POL is concerned, the MBPT has sought to argue that tariff increase in POL has not been effected for a long time. It has sought tariff increase in POL in order to cross-subsidize the loss making general cargo segment. Nevertheless, it is necessary to see whether the surplus making POL sub activity should be required to contribute at a higher level of cross-subsidisation by granting a tariff increase in that sub-activity. As per clause 2.11.6 of the tariff guidelines of March 2005 a surplus making activity cannot be burdened beyond the existing level. In other words, even if cross-subsidisation is not fully phased out, it has to be contained at the existing level. POL handling activity is separable from the general cargo handling activity and the activity is already in surplus. Even though the port's argument that POL handling constitutes the lifeline and is commercially important for the port and its revenue cannot be disputed, the proposal to increase charges on POL cargo which includes liquid chemicals and edible oils also, as per the activity classification made by MBPT, cannot be accepted in view of the provisions of the tariff guidelines.

Even though warehousing activity is also similarly placed, it generally complements the general cargo handling at the ports. Further, the major source of revenue under this head is demurrage which has penal connotation. Therefore, this Authority is inclined to grant increase in the warehousing charges.

Considering the time involved in the procedure for notification of the Order passed in this case, the adjusted deficit under cargo handling activity amounting to ₹595.14 crores may have to be recovered during the period from December 2011 to March 2014 by granting tariff increase in cargo related charges other than POL. The above deficit as a percentage of estimated cargo related income other than POL at the existing level of tariff for a period of 2 years and 4 months which is at ₹ 884.52 Crores, works out to around 67%. Since the MBPT has sought 30% increase in cargo related charges, the existing cargo related charges except pertaining to POL sub-activity and Licence Fee to be fixed following the Land Policy guidelines of the Government, is increased by 30%.

(d). The stevedoring activity shows an aggregate deficit of ₹564.11 crores. In fact, there exists a case to increase the rate in this service to the extent of around 242%. Since the MBPT has sought only an increase of 30% at par with the increase sought in the cargo related charges, the existing stevedoring charges is increased by 30%.

(e). As can be seen from the above table, the sub-activities Port Dues and Ship breaking under Port and Dock activity will be in surplus position at the existing level of tariff. The other sub-activities viz.

berth hire, pier dues, dry docking and pilotage & towage will be in deficit position at the existing level of tariff.

With reference to the vessel related activity in a port, it has to be recognized that more or less all the vessels entering a port pay the Port dues, Pilotage & Towage fee and Berth hire charges. That being so, sub-activity wise cost position may not be the sole guiding factor for deciding tariff revision for vessel related charges. The aggregate deficit in vessel related activity amounts to ₹191.86 crores which has to be met by allowing tariff increase in vessel related charges.

The proposed increase in port dues will affect the vessels going to JNPT as they have to pass through the common access channel falling within the MBPT limits. These vessels at present pay 39.35% of the prescribed port dues based on the provision prescribed in Sec. 50B of the M.P.T. Act. The issue of such vessels paying part port dues as per the MBPT tariff has been analyzed extensively in the Orders passed by this Authority in November 2001 on the proposal of MBPT for revision of port dues, in the Order of January 2004 on the proposal of the MBPT for revision of vessel related charges and in the Order dated 28 September 2006 on the Port's proposal for general revision. It was suggested to the port on all the occasions that a separate fee for users of the common channel should be prescribed since usage of the common access channel by the vessels calling at the JNPT would be a regular feature. Alternatively, it was also advised that MBPT could seek from JNPT reimbursement of expenditure incurred on the common user channel, instead of covering such expenditure through levy of port dues. Though a separate agreement relating to the procedure to be followed for using the common user channel was signed between MBPT and JNPT in 1989 and the agreement provides for a review after sufficient experience is gathered in implementation, to our knowledge, even after the lapse of more than 22 years and significant growth in volumes of traffic / activity at JNPT, this agreement is yet to be reviewed. The income from the port dues of JNPT bound vessels and the annual cost of maintaining the common channel are not available. In any case, there does not appear to be any justification for requiring the vessels not availing the pilotage and berthing services of MBPT to contribute more for reducing deficits in berthing activities of MBPT. To ensure that the increase in port dues at MBPT approved to reduce the deficit in other vessel related activities of the port is not passed on to the vessels entering the MBPT limit, but carrying out cargo operation at some other port, it is necessary to exclude such port dues income for the purpose of revision of vessel related charges of MBPT. Accordingly, the estimated port dues income from JNPT bound vessels aggregating to ₹111.30 Crores for the years 2011-12 to 2013-14 is excluded from the estimated vessel related income for the purpose of determination of tariff increase.

Following the approach adopted in respect of cargo related activity, the above deficit as a percentage of estimated adjusted vessel related income at the existing level of tariff for a period of 2 years and 4 months which is at ₹835.02 Crores, works out to 23%. Therefore, an across the board increase of 23% in all the existing vessel related tariff is allowed as against 30% increase sought by the port. Further, the existing rate of 39.35% port dues payable by the JNPT bound vessels is reduced to 32.00% of the revised port dues in such cases to maintain a revenue neutral position.

(f). The Railway activity shows an aggregate deficit of ₹206.76 Crores. Since the port as a whole is in a huge deficit position at the existing level of tariff and will continue to be so even after granting above discussed tariff increases, the MBPT should take up the matter with the Railway Board for revision of the existing rates of railway activity.

(g). The cost position and the tariff revision granted are based on the estimates of MBPT which contain gaps particularly in the income estimation. Notably, the MBPT has not captured the additional traffic and revenue impact on account of commissioning of the Second chemical berth at Pir Pau though a capacity addition of 2 MMT is envisaged in this regard. Also, the MBPT has not considered the revenue impact on account of commissioning of Off-shore Container Terminal. Further, the port has not made any provisions for significant productivity improvements. The port is advised to partly meet the revenue gap by improving productivity / efficiency of operation and initiating cost reduction drive seriously. The port may also review utilisation of its various facilities and obsolete and dead assets should be disposed off, which will reduce the capital cost as well as overheads. In short, a serious effort should be made by the port to bring the gap in revenue left uncovered by tariff increase by effective operational and managerial control.

(xvii). MBPT in its submission dated 30 October 2009 had proposed to bring on par the rates prescribed at bunders, Jawahar Dweep and Pir Pau with the rates applicable at docks by merging the respective sections of the present SOR stating that it anticipates shifting of cargo from Docks to bunders in this tariff cycle on account of development works proposed at the Docks. Subsequently, responding to the objections raised by the users, the MBPT has proposed to levy wharfage and demurrage at bunders @ 50% of the rates applicable for Docks.

The users have strongly opposed the proposal of the port to equate Bunder and Dock tariff on the grounds of non-availability of basic amenities, low draft at the bunders due to non-dredging for the past several years, lack of infrastructure of facilities, etc.

It is to be noted that the port services like supply of labour, equipment, cargo accounting, etc. being provided by the MBPT at Docks are not provided at the bunders. Though the port has agreed to develop the infrastructure facilities at bunders in future, it may not be appropriate to approve the tariff at bunder linking the same with Docks without the requisite facilities in place at bunders. Instead of just proposing the rates chargeable at bunders at 50% of the rates prescribed at docks, the MBPT is advised to arrive at the tariff leviable at bunders based on the facilities provided as well as cost of handling and special care required to be taken while handling and storage of the cargoes at bunders as prescribed in clause 4.2.2 of the tariff guidelines. Therefore, the existing rate structure at the bunders may continue subject to the increase in consonance with the general increase approved for cargo / vessel related charges, as the case may be. Further analysis in this case proceeds recognizing this position. The modifications in the structure and provisions of the existing Scale of Rates made by MBPT mainly on account of the merging of Bunder Scale of Rates with Docks Scale of Rates are not considered. The existing structure of the SoR is maintained.

(xviii). (a). The term “Ballast” is not defined in the SOR. Port has proposed to define "Ballast" as heavy material placed in the holds of a ship or more often in the ballast tanks, positioned in the compartments right at the bottom and in rare cases on the sides for stabilization and make ship seaworthy in all respects. This may consist of liquid material, commonly water. Port has informed that the definition is based on the Dictionary on Port and Shipping Terminology published in INDIAN PORTS, Quarterly Journal compiled by Indian Ports Association, New Delhi. The users also have not made any adverse remarks. Therefore, the proposed definition is included in the Scale of Rates of MBPT.

(b). As per the existing definition coastal vessel means any vessel exclusively employed in trading between any port or place in India to any other Port or place in India having valid coastal licence issued by the competent authority. MBPT has proposed to add vessels of Coast Guard and Indian navy to the group of coastal vessels stating that a specific provision regarding vessels pertaining to Coast Guard and Indian navy was prescribed under definition of 'Coastal Vessel' in the section pertaining to berth hire charges of MBPT's Docks Scale of Rates which was in force upto January 2004. By Authority's Order dated 9th January 2004 the vessel related charges were revised and, inter-alia, a separate section of Definitions and General Terms and Conditions (including revised definition regarding Status of vessel) applicable to the Scale of Rates was prescribed. However, no specific provision regarding treating Coast Guard and Indian Navy vessels as coastal vessels was made therein. In this connection, it is relevant here to mention that the definition for 'coastal vessel' as proposed by the MBPT at that relevant point of time was approved as seen from the Order dated 9 January 2004. However, since the present proposal of MBPT is to reinstate the position prevailing prior to 9 January 2004, the same is agreed to. However, instead of expanding the existing definition of coastal vessels as proposed by MBPT, the then existing provision is re-instated by way of a note below the Section dealing with composite berth hire charges stating that the vessels of Coast Guard and Indian Navy will be levied charges as applicable to coastal vessels. In this regard, it is clarified that the Govt. Policy requires to extend concession in vessel related charges to coastal vessels only. Since the port proposes to extend a similar concession to Naval and Coast Guard vessels, it is agreed to in this case. The approval given in this case cannot be quoted as a binding precedent to extend similar concessions at all other Major Ports.

(c). The ICC has suggested to amend the existing definition of coastal vessel on the ground that several coastal vessels owners continue to be penalized merely due to the fact that the vessel's trading certificate has expired or under renewal.

Vessels with a coastal licence issued by the competent authority valid at the time of charging shall only be eligible for concessional coastal rates. It is noteworthy that the existing definition for 'Coastal vessel' is in line with the prescription made in the Scale of Rates of other Major Port Trusts. Therefore, the existing definition of Coastal vessel may continue.

(d). As per the existing SOR, "GRT" means Gross Registered Tonnage of vessel as per the Ship's Registry or the International Tonnage Certificate issued by the competent authorities or a declaration from Defence Authorities in respect of war ships/ naval ships. MBPT has proposed to enlarge the definition with the addition that in case of vessels under construction the owner can declare the GRT assessed by naval architect or surveyor. According to the port this addition is to facilitate regulating of charges in the event of any vessel undertaking repairs in the port which would result in increase or decrease of GRT. However, it should be noted that the existing definition itself provides for recognizing the certificate issued by the competent authorities. It is not for this Authority to specify the bodies or persons who are competent to issue a certificate for a vessel under construction, which is governed by the provisions of relevant Act(s).

(e). Presently “Cold Move” is defined as the movement of the vessels without the main engine in operation. The port has proposed to re-define “Cold Move” as the movement of the vessels without power of the engine of the vessel. According to MBPT the physical impact of cold move is that the vessel movements are without its own engine power for any reason and such movements can take place for various reasons including vessel being moved with a lesser under keel clearance without operating the main engines. Though MANSA has objected to the proposed amendment, the amended definition proposed by the MBPT is seen to be in line with the existing definition of ‘Cold Move’ prescribed in the Scale of Rates of other Major Ports like MOPT, COPT and VOCPT. The amendment proposed by the MBPT is agreed to.

(f). Presently, “Transhipment” means any cargo not originally manifested for the port of Mumbai but landed at Mumbai and subsequently re-shipped to other Ports. MBPT has proposed to make the definition applicable to “Transshipment Cargo” instead of mere “Transhipment”. Since the addition of the word “cargo” is only to bring in clarity, the proposed modification is approved.

(g). “Transhipment container” as per the existing SOR means any container, which is discharged from one vessel, stored in the yard and transported by road, rail or by sea through another vessel. Port has proposed to restrict the definition to mean any container, which is discharged from one vessel, stored in the yard and transported through another vessel. Since the proposed modification is in line with position obtaining at the other Container handling Major Ports, the proposed amendment is approved.

(h). Presently “Shut out Container” means a container, which enters into the port as an export intake for a particular vessel (as indicated by the Vessel Identification Advice Number) and is not connected to the particular vessel for reasons whatsoever. Port has proposed to re-define “Shut out Container” as a container, which enters into the port as an export intake for a vessel and is not shipped’ on the ground of bringing in simplicity and clarity. However, there is no ambiguity in the existing definition and the same is in line with the position obtaining at the other Major Ports. Therefore, the existing provision will continue without any change.

The proposed definition for “shut out cargo” is slightly modified in line with the prescription available in the Scale of Rates of other Major Port Trusts.

(i). “Month” has been defined as a 1st day (inclusive) of one month to the 1st day (exclusive) of the next month or from the 2nd day (inclusive) of one month to the 2nd day (exclusive) of the next month and so on. E.g. 14th of January (inclusive) to 14th of February (exclusive) (i.e. a period of 30 days). Port has proposed to redefine “Month” to mean 30 consecutive calendar days including holidays. Since the proposal is to define month in a lucid way without in any way altering the existing conditionality and keeping in view that the proposed provision is in line with the position obtaining at the other Major Ports like COPT and KOPT, the proposed definition is approved.

(j). Presently Vessel Completion Date (VCD) is defined as the date on which import operations of the vessel are fully completed. The port has proposed to redefine VCD as (i) the date on which import operations of the vessel are fully completed for vessel in the docks and (ii) the date following two days after the date of completion of discharging of mother vessel in stream or date of discharge of last barge at berth, whichever is earlier, for vessels in the midstream. Since the change in the definition, according to the port, is to properly regulate excessive occupation of vessels at anchorages by delaying unloading of the last barge and also keeping in view that none of the users have made any objection in this regard, the modification proposed in the existing definition is approved.

(k) Port has proposed to define "Wharfage" to mean the basic due recoverable on all cargo imported or exported or transhipped from a vessel at berth as well as on all the cargo loaded on / from the vessel / barge alongside from / on the mother vessel, lighter vessel berthed alongside the main vessel. It is seen that the proposed definition is not in consistent with the definition already prescribed in the Scale of Rates of some other Major Ports like Chennai Port trust and Kolkata Port Trust. That being so, the definition for 'wharfage' in line with the provisions available in the existing SoRs is suitably incorporated in the Scale of Rates of MBPT. However, it is made clear that mere incorporation of the definition of 'wharfage' will not alter the existing facilities / services provided by the Port against the recovery of wharfage charges.

(l). Sailing vessels and country crafts are not defined in the SOR. Port has proposed to define them to mean the vessels which are normally under sail though fitted with mechanical propulsion system, do not require services of pilot since they are maneuvered in their own traditional methods. It is relevant here to mention that in the Scale of Rates of VOCPT, "Sailing vessels" shall mean vessels propelled solely by wind power and includes vessels fitted with mechanical means of propulsion. The existing definition at VOCPT is prescribed in the Scale of Rates of MBPT also.

(m). No definition exists for the term "Tug" in the SOR. Port has proposed to define "Tug" as a comparatively small vessel having powerful engines and constructed in such a way to be used for towage and / or salvage operations. Since the term 'Tug' is a common terminology well understood in the shipping parlance, it is not necessary incorporate a meaning for tug in the Scale of Rates.

(xix). (a). Presently the status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for its classification as 'coastal' or 'foreign-going' for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose. MBPT has proposed to include the Mercantile Marine Department, Registrar of Indian Ships and Maharashtra Maritime Board also as the certifying Authorities for determining the status of the vessel. The existing provision is in line with the provision prescribed in the Scale of Rates of other Major Port Trusts. Inclusion of some other Authorities to certify the status of the vessel may have to be decided in consultation with other Major Port Trusts. Therefore, the existing provision will continue in the Scale of Rates of MBPT.

(b). As per the existing provision a foreign going vessel of Indian Flag having a General Trading Licence can convert to Coastal run on the basis of a Customs Conversion Order or on filing of Coastal International General Manifest in Coastal Establishment Section of Customs Department and a foreign going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping. In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods but only till the vessel completes coastal cargo discharging operations and immediately thereafter, foreign-going rates shall be chargeable by the discharge ports. MBPT has proposed to introduce conditionality to the effect that for vessels visiting the port other than for cargo operations the benefit of coastal rates from the time the vessel starts loading coastal goods till the vessel completes coastal cargo discharging operations shall not apply on the ground that vessels frequently visit the port for other than cargo operations. The applicability of concession to coastal vessels is governed by the Government policy directions. In view thereof, the existing conditionalities in the SOR of MBPT will continue without any modification.

(c). MBPT has proposed to include conditionality to the effect that interest will be calculated for the actual number of days from the date of raising the bills till the date of payment. According to the Port, the amendment is to bring clarity to the fact that interest free period is 10 days irrespective of the date on which the bill is raised. Since the existing conditionalities in this regard are as per the tariff guidelines of March 2005, the existing provision will continue without any modification.

(d). The penal interest on delayed payments by the user and refunds by the port has been proposed by the port at 2% above the PLR of State Bank of India prevailing as on 31 March. In line with clause 2.18.2. of the tariff guidelines, the interest on delayed payments will be 2% above the Prime Lending Rate of the State Bank of India. The prevailing Prime Lending Rate of State Bank of India is reported at 14.25%. Accordingly, the rate of penal interest is prescribed at 16.25%.

(xx). Port has proposed to levy per GRT composite pilotage and towage charges on floating cranes, rig vessels, dredgers, vessels under construction and telegraph vessels categorizing them as miscellaneous vessels. Presently in this Section, rates are provided under two groups; group one covering offshore supply vessels, survey vessels and specific support vessels and group two covering tug boats, passenger boats, fishing trawlers, self propelled barges, dumb barges, lash barges, pleasure yacht, country crafts and crew boats. Port has clarified that floating cranes, rig vessels and dredgers are presently charged as cargo vessels in the absence of separate rate provided in the Scale of Rate. Since these vessels are basically not cargo vessels, MBPT is of the view that it is necessary to formulate separate rates for these categories of vessels to avoid ambiguity. Vessels under construction are not having the proper GRT and, therefore, they are billed on provisional GRT and are treated as dumb barges not operated under self propelled engine. Port has, therefore, proposed to include floating cranes, rig vessels, dredgers, and vessels under construction and telegraph vessels under group one of miscellaneous vessels. The port has also confirmed that there will not be any substantial financial implication on account of this proposal. Based on the clarification given by the port and keeping in view that the proposed modification is to rationalize the existing arrangement, this Authority approves the proposed arrangement.

(xxi). (a). Port has proposed a minimum composite towage and pilotage charge of ₹5000/- for coastal vessels and $150 for foreign going vessels. Port was requested to furnish, with appropriate cost sheet, the basis on which these rates are arrived at. The necessity to incorporate such conditionality was also sought from the port. MBPT has stated that situations have arisen where pilotage and towage services had to be rendered to vessels having less than 1000 GRT. Instead of justifying the charges proposed with cost sheets MBPT has only stated that the charges being levied on lower GRT vessels are disproportionately lower than cost of services rendered. In the absence of any working sheets justifying the charges proposed, this Authority is not inclined to accede to the proposal.

(b). MBPT has agreed to a provision proposed by the MANSA as a note under the Pilotage & Towage schedule to the effect that "shifting of the vessel from cargo berth to the RORO berth or vice versa for the convenience of loading or discharging on specific request from the Agent of the vessel in their berthing application". However, since there is no clarity in the proposed provision as to whether it would fall under 'port convenience' or on payment basis, it could not be considered.

(xxii). MANSA has raised objection to the recovery of the Port Dues on re-entry of the vessels forced to go out of the port limits before completing its discharge/loading, when naval exercises is undertaken. Further, the users suggested to levy the 'Port dues' on 'per voyage' basis instead of the 'per entry' basis. When asked to furnish its comments, the MBPT has left the matter to be decided by this Authority to take a decision on levy of port dues on vessels re-entering the Port limits, after being moved out for reasons not attributable to the vessel, during the same voyage. It is also understood that the Port had granted concession to the extent of 75% of port dues on all vessels calling on second and subsequent call in a month. Keeping in view the spirit with which the MBPT was granting the concession in Port dues, it is prescribed that no port dues shall be levied on the vessels that are re-entering the port after being forced to go out of the port limits before completing its discharge/loading, when naval exercises is undertaken.

(xxiii). (a). Presently the lighterage charges are levied at the rate of US$ 0.0046 (Foreign) and ₹0.127 (Coastal) per GRT on mother vessels discharging /receiving cargo for a period of one hour or part thereof. MBPT has proposed to levy lighterage charges on Mother vessels at 50% of the wharfage applicable to cargo on the ground that anchorages are the places where cargo is allowed to be transferred to a daughter vessel, pier platform, etc. and such operations are akin to cargo handling at the shore berths.

(b). In view of MBPT's stand that the lighterage dues are cargo related, the issue whether they are to be categorized as cargo related or vessel related has once again cropped up. This Authority has given a categorical ruling on this issue while dealing with a representation from MANSA vide Order No.TAMP/98/2001-MBPT dated 21 March 2002. Endorsing the stand then taken by MBPT, this Authority had stated then that it is the carriers' responsibility to deliver the goods at the agreed place of delivery and in discharging cargo at anchorage, the vessel can be seen to discharge its contractual obligation. Even if it is presumed that such operation takes place at the request of the consignee, no one else other than the vessel has agreed with such request. In its previous general rate revision proposal submitted in 2005-06 also MBPT had taken the view that lighterage dues are cargo related. This Authority in para 9 (xxxiv) (h) of the Order No TAMP/57/2005-MBPT dated 28 September 2006 had reiterated its earlier Order dated 21 March 2002, adding therein that this Authority may not have any reservation to prescribe the charge on per MT basis, if it is shown to result in better exercise of control by MBPT though shifting the burden to cargo interests cannot be accepted unless an error in the earlier ruling in this regard is brought out clearly. Even now MBPT has not brought out any error in the earlier Order dated 21 March 2002 of this Authority. MBPT's quoting the Custom Act under which it has to ensure proper accounting of lighterage cargo as a justification to levy lighterage charges per ton from the cargo interest is rather misleading. Though the port has stated that it is the responsibility of carrier to deliver the cargo at the port in a dynamic scenario of contracts of total logistics it has not evidenced its statement by submitting copies of few contracts entered into between the shipping interest and cargo interest.

(c). MBPT has stated that at Vadinar charges per ton of cargo is levied for lighterage operation. As per Section 3.4 of the SOR of KPT, anchorage fees for vessels lying on their anchors in stream and carrying out transshipment / lighterage operations will be levied anchorage fees on a per GRT per 30 days or part thereof basis on mother vessels arriving with cargo to be transferred and daughter vessels receiving cargo. However, this rate is applicable only in case of cargo not manifested for Kandla or from Kandla. Further, as per Note (3) to the wharfage Schedule of KPT's SOR, 50% of the wharfage charges will be levied as transshipment charges in the cases where the cargo discharged from the mother vessel to daughter vessel within port limits is destined to other ports. This note further states that in case of transshipment of crude at Vadinar, transshipment charges of ₹5/- per M.T. will be levied. ₹5 per ton levied on crude as transshipment charges at Vadinar is for the vessel's use of the Kandla Port waters and the crude that is transshipped from large crude carriers to smaller vessels by-passes the port.

(d). MANSA has stated that the existing arrangement should stay as it is GRT based and all port charges on vessel are GRT based. According to MANSA if vessel discharges part cargo in stream the present proposal of the port would create problems.

(e). Considering all the above factors, this Authority is not inclined to agree to the proposal of the port to levy lighterage charges at 50% of the wharfage applicable to cargo but allow the general increase in the existing relevant vessel related charge at 23% approved by this Authority on the existing rates of lighterage dues.

(xxiv). In the existing arrangement the stand-by charges leviable for the fire service are for the first eight hours or part thereof and 12.50% of the charges prescribed for the first eight hours are levied for each subsequent hour or part thereof. In case more than one operation is carried out in a calendar day, the charges levied will be after considering all the operations on a continual basis taking into account the total number of actual working hours in each operation. In the draft SOR, while retaining the unit of levy as eight hours or part thereof, MBPT has proposed to delete the hourly levy @ 12.5% of the charges prescribed for the first eight hours (i) in case the service is rendered beyond eight hours and (ii) to consider all the operation on a continual basis. The Indian Oil Corporation has raised objection on this proposal stating that MBPT fire services standby charges are presently levied on equipment / No. of personnel deployed which is quite subjective with less control by the user. MBPT has stated that the Port Fire Brigade has rendered the services on 11 occasions during 2009-10 and the working period of each occasion was not for more than 8 hours. Since neither any working sheet nor the revenue impact has been furnished by the port and the working period of each occasion has not exceeded more than 8 hours in the past, the existing provisions in this regard will continue unaltered.

(xxv). The proposed increase in license fees from ₹152.10 to ₹200.00 for supply of special pilots, licensed master of coastal vessels, barges, tugs etc and increase in license fee for issue of duplicate license from ₹30.45 to ₹100.00 are more than the across-the-board increase of 30% proposed by the port. Port is of the view that considering the administrative expenses and stationery charges involved, the proposed increase is justified. In the absence of detailed costing from the Port justifying the increase, the increase in tariff on these services is restricted to 23% in tandem with the increase approved in respect of vessel related charges.

(xxvi). (a). In the proposed SOR, the existing section of "License fee for harbour crafts" has been renamed as 'license fee for water conveyance for harbour crafts'. Since note (9) to schedule 6.1 (A) – Licence Fees under Chapter VI of the existing SOR draws reference to the existing Section 2.10 (II) of Licence Fee for harbour crafts as "licence fee for water conveyance", the proposed renaming of the caption is approved.

(b). In the existing arrangement (i) ₹32.40 per GRT per month is levied as license fee from catamarans, hovercraft, speed-boats, barges engaged in loading/discharging of cargo in mid-stream and plying beyond the limits of Port of Mumbai for conveyance of cargo and (ii) ₹27.00 per GRT per month is levied from boats, craft, barges and launches plying from the Ballard Pier Jetty. (except fishing trawlers/Boats). Port has proposed to include tugs in this group stating that it is to avoid ambiguity, which is agreed upon by this Authority.

(xxvii). Port has proposed to introduce a conditionality that the minimum GRT for computing license fees for water conveyance for harbour crafts as 10 GRT on the ground that there are many small crafts whose GRT is as low as 1 ton and the stationery and man hours utilised are same irrespective of the size of the vessel. As contended by the port the cost incurred is same for small crafts as well as bigger crafts. That being so, the port should have proposed a uniform licence fee on 'per vessel' basis to meet the cost incurred by it, instead of increasing the minimum GRT. Therefore, the existing position will remain unaltered.

(xxviii). MBPT has proposed a new levy of "License fee for supply of fresh water" co-related to the number of barges owned by the water supplier. The rates proposed are ₹1000 per annum per firm upto two barges and ₹5000/- per barge per annum for additional barges. Port was requested to justify the proposal with cost details along with the details of services provided to the water suppliers. In reply MBPT has stated that its proposal is in order since it provides berths to water supply barges/ boats for intake of water. The Barge Owners Association, the MANSA, INSA, Mumbai Bunder Launch Malak Mahasangh , Karanja Machhimar V.K.S. Society Ltd. And ICC Shipping Association have strongly raised objection to the proposal stating that the supply barges pay all the dues as per the SOR and hence it will not be correct to levy an additional fee called licence fee on barge owners. Considering the fact that the supply barges pay dues such as water conveyance charges at bunders, berth hire charges at docks, port dues and lorry permit charges and the port does not provide any additional facilities to the supply barges, this Authority is not inclined to agree to the port's proposal.

(xxix).The port has proposed to introduce a new levy on harbour crafts for issue of license, renewal of license and issue of duplicate license at ₹200/- per license stating that if charges are levied the users will take proper care of the license issued. In the absence of any cost sheet from the Port to justify the rate proposed, this Authority is not inclined to the introduction of a new levy as proposed by the Port.

(xxx). MBPT has proposed to introduce another new levy on harbour crafts for carrying out amendment in the licence arising out of change in ownership etc. MBPT has only stated that amendment in licence involves lot of clerical work. In the absence of any cost sheet from the Port to justify the rate proposed, this Authority is not inclined to the introduction of a new levy as proposed by the Port.

(xxxi). The port has proposed to introduce a penalty clause for delayed renewal of license by harbour crafts at ₹500/-, ₹1,000/- and ₹1,500/- per renewal if the delay is by two months, by four months and beyond four months respectively. Though no cost sheet was furnished the port has stated that the proposal is to encourage timely renewal of licenses and to avoid unauthorized maneuvering in the port. Since the penalty proposed is payable only when the timely renewal of the license is neglected, this Authority approves the proposal of the Port in this regard.

(xxxii). A new levy has been proposed on harbour crafts at the rate of ₹1000 towards getting permission from MBPT for holding harbour cruise parties. Port is of the view that since the passenger boats are licensed to ferry passengers and the cruise party is an additional activity carried out by the boat owners, its proposal to levy some charges for holding cruise parties is in order. Though no cost sheets have been furnished, this Authority accords approval to the proposal since holding cruise parties in the harbour crafts would generate additional income to the boat owners apart from the revenue of ferrying passengers across the harbour.

(xxxiii).Presently as per the charges prescribed at the bunders, ₹37.50 per GRT per month is levied on license fees on pleasure crafts The Port has proposed to levy license fee on pleasure craft / luxury yacht and speed boat for pleasure purposes ranging from ₹9000/- per annum to ₹60000/- per annum depending on the length of the craft. The basis of arriving at the proposed rates was sought along with cost sheets and the details of services rendered by the port to such craft/yacht. The Port has not furnished any cost sheet. According to it the rates proposed are in order as the users are high income group. As this Authority follows a cost plus return on capital employed approach in determining the rates, the justification furnished by the Port does not fit into the existing tariff fixing model. This Authority is, therefore, not inclined to approve the proposal of the Port except the rate increase of 23% in consonance with the general increase approved for vessel related activity.

(xxxiv).(a). As per the existing SOR, anchorage fee is leviable depending on the prescribed anchorage points and for the duration of stay at such anchorages.

(b). MBPT has proposed to replace the existing anchorage schedule as under with the caption that anchorage fees shall be levied on the vessels anchored within the port limit as notified from time to time:

Sr. No.	**Type of vessel**	**Rates per GRT per hour or part thereof**		
		Period of stay	**Coastal/ Inland Vessel**	**Foreign going vessel US cent**
1	**2**	***3***		
(a)	Any vessel or self propelled barge except Lash Barge or Dumb Barge	First 30 days	0.4499 paisa	0.0442 US Cent
		From 31st to 60th day	0.8999 Paisa	0.0896 US Cent
		Beyond 60 days	1.3497 paisa	0.1326 US Cent
(b)	Lash Barge or Dumb Barge	First 60 days	0.1169 paisa	0.0146 US Cent
		Beyond 60 days	0.2339 paisa	0.0291 US Cent

(c). It is seen from the above that the Port has proposed to replace the specific anchorage points mentioned in the schedule of anchorage charges with anchorage points as notified from time to time. It was pointed out to the port that if this condition is to be accepted, then zoning of anchorages should be done and rates for each zone is to be prescribed. Port was therefore advised to include in the schedule all the anchorage points presently shown therein and the points, if any, available after the port limits were extended. Instead of complying with the advice, the port has stated that the anchorage charges will be leviable when a vessel is anchored at the area within the port limits and outside the port limit and also at port approaches. In short, MBPT has proposed to discontinue the differential levy of anchorage fees depending upon the place of anchorage and the commercial utility and instead has proposed a common rate for all vessels and propelled barges. While proposing so, the port has applied the base rate applicable for the first 30 days at the highest rate presently available in the schedule whereby the lower rate available for few anchorage points have been done away with. When requested to justify the proposal MBPT has stated that a common rate has been proposed to have a simplified tariff structure and better control, considering the fact that the areas within the port limit are custom bound areas for landing and loading of cargo. The Port has stated that a uniform rate has been proposed since the work of deepening and widening of the main channel and creation of anchorages, etc. has been taken up whereby the availability of anchorages are going to be restricted forcing the port to find alternative locations for the operations. Since the Port has failed to frontally answer to any of the points put forward for doing away with the differential rates, this Authority decides to retain the existing rate structure for levy of anchorage charges with the rate increase in consonance with the 23% increase approved for the vessel related activity.

(d). As per an existing note appearing below the Schedule of Anchorage fees, no anchorage fees will be charged to the vessel / ships anchored outside the Mumbai Port limits notified by the Central Government. MBPT has proposed to delete the existing note stating that it reserves its rights to levy charges at port approaches. The matter of applicability of Scale of Rates for a particular place or area is already governed by the statutory provisions. This Authority vide its Order dated 26 July 2011 has prescribed charges for levy of lighterage dues on the cargo unloaded from or loaded into the vessels anchored within the port approaches and the cargo is transported through Mumbai Port waters. That being so, the existing conditionality in this regard is deleted as requested by the port and the provisions by the Order of 26 July 2011 is included.

(xxxv). As per Note 1 below the existing Port Dues Schedule the Port Dues of vessel will be assessed on her GRT at the rate shown against relevant vessel group according to the GRT of that vessel. MBPT has proposed to replace this note with "Port dues shall be applicable as coastal or foreign going as per the status of the vessel at the time of entry into the port". The position regarding the determination of the status of the vessel has already been detailed at Chapter I- General Terms and Conditions. Since the relevant provision is available as a general condition, the existing note under the Port Dues Schedule will continue without any change.

(xxxvi).(a). The berth hire is leviable as per the Note 2 (i) below the existing Composite Berth Hire Charges from the time a vessel takes the berth till the time it leaves the berth. Port has proposed to replace the note 2(i) by "the berth hire / Pier dues shall be leviable from the time a vessel is "all fast" till "cast off" based on the draft model Scale of Rates. The existing conditionality has been prescribed based on the tariff guidelines of March 2005 issued by the Central Government. Therefore, the existing conditionality will continue till the time any model Scale of Rates is approved for adoption by all the ports and terminals.

(b). As per the existing Note 2 (v), the time limit of 4 hours prescribed for cessation of berth hire shall exclude the ship's waiting period for want of favorable tidal conditions. The MBPT has proposed to amend this provision by including the waiting period on account of inclement weather or due to absence of night navigation facilities under the scope of this provision. Since the proposed amendment is in line with the clause 6.6.1 of March 2005 guidelines, it is approved.

(c). With reference to the suggestion made by the MANSA regarding non-charging of berth hire charges after 4 hours of readiness of vessel to sail, it is noted that the prescription made in the Scale of Rates of not only MBPT but at all other Major Ports is as per the tariff guidelines of March 2005.

(xxxvii). MBPT has proposed to levy additional berth hire charges at 150% of normal berth hire charges from the 11th day to 20th day of occupation of berth and at 200% after 21st day on vessels berthing at certain berths for other than cargo operations. When requested to explain the rationale behind this proposal, the port has clarified that if cargo vessels occupy the commercial berths for repair purposes, at times, shifting of other vessels from one berth to another berth has to be carried out. MBPT has stated that the vessels carry out repairs in the wet docks just because there is no time slot available in the dry dock or to avoid payment of dry dock charges which are comparatively high. According to MBPT, if vessels once occupy the berth for repairs, they cannot be shifted to any other berth. The port, therefore, is of the view that the stay of vessels carrying out repairs at the wet docks needs to be regulated and it is, therefore, necessary that tariff for vessels calling at Port for other than cargo operations should be increased progressively beyond certain period. MANSA in its letter dated 2 June 2011 has supported the port's proposal though according to it the additional levy should commence only from the 16th day instead of the 11th day proposed by the port. For the reasons advanced by the port, this Authority is inclined to accord approval to the proposal. It is to mention herein that in the SOR of some of the Major Port Trusts provision exists for levy of penal berth hire charges for overstayal of vessels beyond the stipulated period allotted for cargo operations.

(xxxviii).(a). In the draft SOR, MBPT has proposed priority berthing fees/anchorage charges equivalent to charges for a single day or 75% of the charges for period of stay whichever is higher to be levied as extra stating that the Ministry of Shipping has directed the Port to grant priority berthing. According to the Port it is necessary to make such provision, as similar provisions exists in the SOR of few Major Ports.

(b). MANSA has expressed its apprehension to the proposal of the port stating that unlike other Major Ports, the Mumbai port has only one berth with draft of 10.5 meters and this berth, apart from cargo vessels, is also used for Cruise vessels. If this provision is made applicable to all the vessels calling at the Port, there will be chaos leading to unhealthy practices to the detriment of overall Port working.

(c). A system of priority / ousting priority berthing for an additional charge is in vogue in some of the Major Port Trusts like KOPT, CHPT, KPT and JNPT, which was prescribed based on the Govt. instructions on this subject. In line with the position prevailing at the other ports, suitable provisions are prescribed in the Scale of Rates of MBPT also. However, keeping in view the apprehensions of the MANSA, the MBPT is advised to ensure that the overall port working is not affected due to implementation of the said provisions.

(xxxix).(a). Port in the wharfage schedule and in the schedule of onboard stevedoring service has proposed to expand the commodity "vehicle" by including therein bull dozers, forklifts, tractors, crane etc. stating that as per the definition of Docks Bye Laws, "Vehicle" includes any cart, carriage, lorry, truck and other wheel contrivance used for transportation by road by human being or by property. Presently, as informed by the MBPT, the charges on bulldozers and forklifts are recovered by categorizing them under machinery and project cargo. MBPT is of the view that since these equipments can be moved on wheels like any other vehicles, the wharfage charges to be levied on such cargo can be included under the category of motor vehicles. According to the port such an inclusion is to have better clarity. MANSA while endorsing the proposal of the port has requested that, to remove any ambiguity, vehicles should also include military tanks. The proposed amendment to expand the scope of the term 'vehicle' available in the existing schedule of wharfage and on-board stevedoring, including the suggestion made by MANSA, is approved.

(b). MANSA has stated that the steel cargoes are being wrongly classified by the MBPT under project cargo based on the details furnished in the manifest for levying stevedoring rates. The request of the MANSA is to direct the MBPT that steel plates (including hot rolled ship building plates, ship building / bodies quality steel plates, steel bull hull flat bars / steel shoe sections prime flat rolled ship builder plates) and pipes (seamless tubulars, DIL Well Drilling Equipment pipes, Steel welded Tubular - these are normal pipes) to be categorized as steel cargo. In this connection, the MBPT has clarified that the rate applicable for machinery / project cargo is charged for certain items of steel cargo on the basis of its specification in the IGM. A separate onboard stevedoring rate is prescribed by this Authority for steel cargo including steel plates, pipes and other steel products in the stevedoring rate schedule of MBPT. From the description of steel plates and pipes furnished by MANSA, it appears that the products listed by the MANSA appear to be steel products. Relying on the position explained by the MANSA, the Port is advised to levy the charges for steel plates and pipes including the items of steel plates and pipes listed therein by MANSA categorizing them under steel plates, pipes and other steel products as per the rate prescribed in the Scale of Rates. The existing entries relating to "Steel Plates" and "Pipes" in the SOR are suitably elaborated.

(xL). (a). In the existing SOR the onboard stevedoring charges for oil cake in bulk is ₹157.50 (Foreign) and ₹94.50 (Coastal) per tonne and the charges for dry bulk and others are ₹112.90 (Foreign) and ₹67.75 (coastal). The port has proposed to club oil cake in bulk with dry bulk and others. When requested to explain the necessity to this regrouping, MBPT has stated that the on-board operation of oil cake requires deployment of 3 on board gangs per hook, i.e. 1 regular gang for hooking/unhooking, 1 gang for bleeding of bags and 1 GPM gang for cutting and trimming plus 2 GPMs per hatch for collecting loose bags and hence the rate of ₹157.50 / ₹94.50 per tonne had been prescribed. As there was steep decline in the export volume of this cargo, concession of 40% in the rate was granted in 2008 and 2009 to attract traffic. Despite that, the Port continues to witness steep decline in this traffic. To attract traffic, irrespective of the higher handling cost, MBPT feels that the rate should be kept lower and hence oilcake in bulk has been clubbed with dry bulk and others. Based on the explanation furnished by the Port, the proposal is agreed to.

(b). MANSA has stated that presently very high stevedoring rates are stipulated for bulk cargoes like pulses, sugar, etc. on imports; the operations do not require any Port Labour as there is no trimming required for the work and only notional gangs are booked. Further, the stevedoring handling gear like grabs, etc. are supplied by the receivers and not by the Port. MANSA, therefore, is of the view that for import of bulk cargoes separate reduced Stevedoring rates needs to be specified. Since the stevedoring activity is in deficit to the extent of 242%, this Authority is not in a position to accede to this request of MANSA.

(xLi). In the Schedule of charges for providing on board stevedoring services MBPT has added a new commodity Metal scrap with rates as ₹316.00 (Foreign) and ₹189.60 (Coastal) per tonne for manual handling – without gear and at ₹187.00 (Foreign) and ₹112.20 (Coastal) for mechanical handling. When requested to justify the proposed rates with cost details MBPT has stated that in the TAMP's Order dated 29 October 2002, pursuant to taking over of stevedoring activities departmentally by MBPT w.e.f. 1.11.2002, for handling scrap, the rates of ₹110 per tonne for mechanical handling and ₹185/- per tonne for manual handling were prescribed. However, no rates have been prescribed for handling metal scrap in the TAMP's subsequent Order dated 10.9.2003 for providing stevedoring services for handling different types of commodities. Stevedoring rates have been increased by 5% automatically w.e.f. 1.10.2004 vide Order dated 10.9.2003. The rates were again increased by 25% in its Order dated 28 September 2006. According to MBPT, with the slated increase of 30% proposed in the subject proposal stevedoring charges for handling scrap mechanically works out to ₹187/- per tonne and ₹316/- per tonne for manual handling (without gear). The proposed rates are approved.

(xLii). In the existing arrangement, the charges specified in the dry dock schedule will include the charges for services such as draining / flooding of the dry dock, divers' services, cranage, removal and replacement of damaged keel blocks, other ship repair facilities etc. For second time draining/ flooding of dry dock for the same vessel the port has proposed to levy fifty percent of the charges leviable for docking and undocking. MBPT has stated that during 2009-10, two vessels were required second time draining & flooding and based on the proposed levy an amount of ₹4,20,000/- would have been generated. Considering the additional work load involved in providing second time draining / flooding of the dry dock for the same vessel and keeping in view that such incidences are found to be rare in the past resulting in meager financial implications, this Authority is inclined to approve the proposal.

(xLiii). The Port has proposed to incorporate a note in the dry dock section to the effect that foreign going vessel of foreign flag and Indian flag possessing a valid coastal conversion certificate issued by Customs will be treated as coastal for levy of dry dock charges. Since clause 1.2 (i) of the general terms and conditions under Chapter 1 amply clarifies how to classify a vessel as "Coastal" or "Foreign going", MBPT was requested to clarify the necessity to incorporate a separate note in this respect for levy of the dry dock charges. MBPT has replied that the separate note proposed is to have clarity. Since the MBPT has not pointed out any ambiguity in the existing provision which is commonly applicable to the entire Scale of Rates of the port, prescription of a separate note elsewhere in the Scale of Rates is not necessary.

(xLiv). The cancellation fee of US $ 57.50 vide note 5 below the Schedule of dry docking is proposed to be increased to $ 200, which is much more than the proposed across the board increase in rate by 30%. No cost sheets were furnished by the Port. It has, however, stated that the cancellation fees are a deterrent charge. It has also informed, when sought the details, that during 2009-10, three coastal vessels were levied cancellation charges and based on the proposed levy an additional amount of ₹26500/- could have been generated. As the intention of the proposal is not to generate revenue but to introduce a deterrent, this Authority approves the proposal of the port to levy cancellation fee at US $ 200.

(xLv). As per existing note 13 below the dry dock schedule the period of occupation of a vessel shall commence from the time the entrance caisson is placed in position after the vessel has entered. The period of occupation ends, when the vessel has cleared the Dry Docks entrance while leaving, unless undocking is postponed for dock convenience. In such a case the period of occupation shall be reckoned upto the time that the vessel has indicated her readiness to undock. The Port has proposed to re-word this note as the period of occupation of a vessel shall commence from the time the entrance caisson is placed in position after the vessel has entered and the period of occupation ends when the vessel has cleared the Dry Docks entrance. When the port was asked to explain the necessity to alter the existing conditionality MBPT has stated that it is to be firm and to avoid undue advantages to trade. It has also added that the amendment would not generate any additional revenue to the Port. Based on the explanation of the port and no objection having been raised from any quarters, this Authority approves the proposal.

(xLvi). While approving the revision of charges in January 2004 and in September 2006 for chipping and painting labour this Authority had asked the port to implement the revised rate (₹630/- per labourer per shift plus overtime wages on actuals) with the permission of the High Court. The port has informed this Authority in February 2010 that with the final disposal of the writ petition in this matter by the Court, MBPT has commenced billing at the rate of ₹630/-. Port has presently proposed the rate of ₹ 819/- with an increase of 30% over the existing rate. Based on the position reported by the port, the general increase approved for the stevedoring charges is made applicable to this tariff item also.

(xLvii). As per the existing SOR, the charges leviable under Chapter III ibid are on the traffic dealt with in the relevant areas specified in Appendix “G” to the MBPT Docks Bye-Laws. MBPT has proposed to do away with this caption and instead has proposed a clause under general terms & conditions that the Scale of Rates will be applicable in respect of all the areas of MBPT except in the areas where estate rentals are applicable and will cover all the activities carried out in this areas except for which rates are decided by Railway Board. The background for this proposal appears to be arising on account of the merger of Bunder Scale of Rates with Docks Scale of Rates by the MBPT and thereby enhance the scope of SOR approved by this Authority. For the reasons stated earlier, the proposal of the port to merge Bunder Scale of Rates with Docks Scale of Rates is not considered by this Authority.

Further, if any additional areas have to be brought under the purview of SOR, they have to be first included in Appendix ‘G’ ibid with the sanction of the Central Government under Section 124 of the MPT Act, 1963. Acceptance of the MBPT’s proposal in this regard would, hence, amount to extending the applicability of SOR to additional areas other the ones specified in Appendix ‘G’, which does not appear to be proper. That being so, the existing caption under Chapter-III is retained.

(xLviii).MBPT had been requested in the past to prescribe, based on the experiences gained, unit based wharfage rate for different categories of Motor Vehicles since as per clause 4.2.2 of the revised tariff guidelines, ad-valorem wharfage rates have to be phased out. Despite this, in the proposed SOR, MBPT has retained the levy of wharfage on ad-valorem basis on Motor Vehicles and on all items other than those specified in the wharfage schedule without assigning any reasons. Though no cogent reasons have been furnished, the Port has requested to retain the ad-valorem rates for motor vehicles and project cargo for the present tariff validity period. Since similar request of other Ports have been agreed to, this Authority accedes to the request of MBPT to retain the ad-valorem rate for motor vehicles project cargo and all items of cargo other than specified in the wharfage schedule till the next review of the tariff structure.

(xLix). On cargo discharged overside the Port has proposed to levy 50% of normal wharfage charges. This is the third occasion such a proposal is mooted by MBPT. In April 2006, MBPT had proposed for an adhoc levy of ₹130/- per tonne for cargo discharged overside. The proposal did not contain any relevant performance and financial details to justify the proposed rate. The port was then advised to come out with a separate proposal, with relevant cost details and justification. In August 2007 MBPT submitted a proposal to levy 50% of normal wharfage charges as overside charge stating that in the SORs of some other Ports rates for this service has been provided at 50% to 75% of wharfage. Although the port then stated that overside discharge is on the increase, it could not furnish the quantum of cargo discharged overside stating that such records are not readily available. Though the port at that time confirmed that the cost of additional supervisory staff and labour gang deployed on board the vessel for handling overside discharge has been included in the stevedoring tariff, it argued that the proposed rate should be approved since the stevedoring tariff does not cover the cost incurred plus the permissible ROCE. The user organizations, however, argued that when the overside discharge cargoes get transshipped to the dock wharves / bunder / jetties, wharfage is recovered on such cargoes and, therefore, the question of recovery of one more wharfage on the same cargo should not arise. MANSA also argued that for deployment of supervisory staff and labour gang for carrying out the overside discharge, MBPT recovers stevedoring charge separately. In the absence of cost details, this Authority was not in a position to arrive at a reasonable rate for the overside discharge of cargo. Under Order dated 30 September 2008 in case No.TAMP/51/2007–MBPT the Port was, therefore, advised to propose appropriate charges for overside discharge of cargo with supporting cost details at the time of its next general rate revision proposal. However, even in the present proposal MBPT has not submitted any supporting cost details while proposing the levy at 50% of the normal wharfage charges. The quantum of cargo discharged overside during the year 2010-11 stood at 16063 tonnes under 367 packages. When compared to the 54.59 Million metric tonnes of cargo handled by MBPT in 2010-11, the quantum of overside discharge (0.00036%to the total cargo handled) is not at all substantial though the Port has repeatedly claimed so.

Although the port claims that it provides various services for overside operations, it has not quantified the additional expenditure being incurred for extending such services. According to MBPT cost details in respect of cargo discharged/loaded to and from overside are not available. The port has not submitted any records showing the number of occasions where additional movement of vessels and barges were required to be carried out for overside discharge operations. In this context it is noteworthy that this Authority has already stated in the earlier case No.TAMP/51/2007–MBPT referred to above that non levy of separate charges for the individual items in the bundled services offered to vessels cannot be a ground for seeking a levy from the cargo interests. Considering the factors mentioned above, this Authority does not find any merit in the port's proposal to levy 50% of normal wharfage as overside charges and advises the Port once again to submit suitable proposal, if found necessary, suggesting appropriate charges for this operation with supporting cost details.

(L). There is no explicit provision in the existing SOR for recovery of wharfage and demurrage on Shipper's Own Container (SOC) and the existing practice, as informed by the port, is to treat SOC units as an empty steel unit and recover charges on tare weight of containers up to 20' as 2.3 MT, containers above 20' but up to 40' as 4.00 MT and containers above 40' as 4.6 MT. Port has now proposed to incorporate a note in this respect below the wharfage schedule. Since the proposal of the port is regularize the long standing practice existing in the port, the same is agreed to.

(Li). As per Note 2 below the existing wharfage schedule the party should declare and certify on the Application-cum-Bill for cargo related services the weight, CIF value or FOB value of the consignments and other particulars in the relevant columns in support of which copy/copies of the invoices/specification attested by Customs together with the Customs documents such as Bill of Entry/Shipping Bill /Transshipment Permit as required under Docks Bye-Law No.96 shall be produced for the purpose of assessment and verification of charges. MBPT has proposed to reword this condition to the effect that for the assessment of wharfage on import or export goods, the party shall produce copy/copies of the invoices/specification attested by Customs together with the Customs documents such as Bill of Entry/Shipping Bill /Transhipment Permit as required under Docks Bye-Law No. 96 for the purpose of verification of charges. MBPT has stated that the practice of submission of application-cum-bill has since been discontinued and hence amendment has been proposed to indicate the current practice. Based on the clarification offered by the port, the proposed modification to the existing note is approved.

(Lii). Port has proposed to induct a new clause to levy import wharfage and demurrage till the date of shipment/stuffing and thereafter levy export wharfage on re-export cargo as presently there is no provision in the SOR for recovery of charges on re-export of cargo i.e. cargo imported, not cleared and exported by the importer under Shipping Bill with Customs permission. According to MBPT the existing practice is to recover import wharfage and demurrage till the date of shipment/ stuffing and also to recover export wharfage. Since the trade has not raised any objection in this regard, the proposal is approved.

(Liii). Presently, for the fish handled at fishing jetties of Sassoon Dock and Ferry Wharf, no wharfage and demurrage is recovered. The Port has proposed to include such a clause in the SOR for the sake of clarity and transparency. The proposal is approved.

(Liv). (a). In the existing Scale of Rates, there is a provision to levy Licence Fee for storage/warehousing permitted by the MBPT in open area @ ₹20 per sq. m. or part thereof per month or part thereof, with or without installation of facilities, cargo handling equipment by users in non-customs notified areas. MBPT has proposed to levy area-wise differential rates and has classified the areas into five groups for this purpose. Licence fee for allotment of port lands are to be fixed following the Land Policy Guideline 2010 announced by the Government. However, the proposal of the port is based on the approval granted by its Board as early as in 2002 which is reportedly yet to be sanctioned by the Government. The Port has confirmed that it has not formulated its proposal as per the Land Policy 2010. Since the present proposal is confined to revision of port tariff as per tariff guidelines of March 2005, the revision of Licence Fee sought by the Port is not considered in this proposal.

(Lv). Port has proposed to introduce a new section to levy charges at the rate of ₹1768/- on 20" ICD containers received by rail and removed by road or received by road and removed by rail and @ ₹2795/- on 20" ICD containers received by rail and removed by rail. This Authority while disposing of the reference received from the ICTPL regarding collection of wharfage and demurrage charges by the MBPT on the containers vide Order dated 29 June 2011 has, inter-alia, advised the port to come up with a well analysed proposal for levy of separate cargo management charges for the services provided by the port at its CFS. Therefore, the MBPT may include the above provision in its proposal to be filed for CFS operations, supported by cost details.

(Lvi). In the existing arrangement, hazardous cargo handled at bunders is subject to the levy of ₹20 per tonne per day. MBPT has proposed the rates of ₹114.40 and ₹68.64 per tonne respectively as "foreign" and "coastal" for hazardous cargo in the wharfage schedule. MBPT has also proposed to introduce a new commodity group "hazardous cargo not covered under any of the above items" at ₹114.40 per tonne for foreign and ₹68.64 per tonne for coastal cargoes to take care of all other hazardous cargoes not covered in the schedule. When enquired about the steep increase in the proposed rate, MBPT initially replied that the proposed rates of ₹114.80 and ₹68.64 per tonne respectively as foreign and coastal for the hazardous cargo in the wharfage schedule is to bring hazardous cargo on par with Chemicals such as Ammonia, EDC, Benzine, Paraxylens etc. Subsequently the port informed that it is situated at the heart of the city and is constrained to reduce handling of hazardous cargo by way of imposing additional tariff. Port has also stated that it is not practicable to prepare cost data for this service. In the absence of cost details this Authority is not in a position to approve the rates proposed by the port. Discouraging hazardous cargo handing at these places can be done effectively by administrative measures rather than by tariff increase.

(Lvii). (a). In the existing arrangements for ship breaking, the regulated period is one month per 800 LDT. As the LDT broken is 900 per month the port has proposed to increase it to 900 LDT per month. Presently, rebate is granted, if ship breaking is completed earlier and the rebate differs on the size of the ship i.e. upto 8000 LDT and above 8000 LDT. For availing the rebate, in the draft SOR, MBPT has proposed to increase the size of the ship to 9000 LDT and above 9000 LDT in tandem with the increase from 800 LDT per month to 900 LDT per month referred to earlier. The proposal is approved.

(b). MBPT has proposed to introduce the following two conditionalities in the section pertaining to breaking, construction and repairs of vessels:

(i). Vessels beached at vacant plot shall commence breaking within 7 days from date of beaching. In case breaking of the vessel does not commence within 7 days, ship breaking charges shall be recovered from 8th day onwards, instead of beaching charges and accordingly the regulated period for breaking will be counted from that day onwards.

(ii). The ship breakers of the vessels beached behind vessels undergoing breaking shall submit all required documents prior to completion of breaking of previous vessel and commence ship breaking within 3 days from date of ship breaking permission. In case breaking of the vessel does not commence within 3 days, ship breaking charges will be recovered from the 4th day onwards, instead of beaching charges and accordingly the regulated period for breaking will be counted from that day onward.

The Iron Steel Scrap and Ship breakers Association and the Indian Ship Breakers Association have raised strong objections on the above proposal of the port stating that after beaching of a vessel, permission from the Customs – particularly for assessment and out of charge (breaking permission) and clearance from Maharashtra Pollution Control Board are required which are subject to bureaucratic delays and beyond the control of the Ship Breakers and therefore cannot be time bound. MBPT has informed that the two new clauses have been incorporated after considering the operational requirements and experience gained after restarting the ship-breaking operation. According to the Port these clauses are already in place vide circular dated 11.03.2010 issued by Mumbai Port and they have been incorporated in the proposed SOR for maintenance of discipline in utilization of plot and also to ensure that work of ship breaking activity commences at the earliest and making the plots available for other ship breakers. Issuance of such a circular by the Port, especially when a rate revision proposal is under consideration of this Authority, does not appear to be in order. In any case, the issue raised by the users has to be looked into in detail as the charges levied for breaking are higher when compared with beaching charges. This Authority, therefore, advises the Port to interact with the user organizations and come out with an agreed proposal, if found necessary, for consideration and, if found in order, for incorporation in the SOR.

(c). The Iron Steel Scrap and Ship breakers Association and the Indian Ship Breakers Association have pointed out that smaller vessels are paying much less total charges compared to bigger vessels for the same plot and period and charges should be on 50% of LDT of the vessel and not on total LDT of vessel since LDT is being cut and delivered on daily basis. The Port has countered the argument stating the ship-breaking charges are levied based on LDT and hence the charges for bigger vessel be higher though the rebate given to the bigger vessels for completing breaking within the regulated period is higher compared to the smaller vessel. According to MBPT for carrying out ship breaking activity, one plot per vessel is allotted to the ship breaker and the plot allotted remains in possession of the ship breaker till the completion of the ship breaking and removal of broken material from the plot. Since the possession of plot remains with the ship breaker during the entire tenure of ship breaking the charges are levied for the occupation of the plot and the plot cannot be allotted in slices. Hence the Port is of the view that the Association's request to levy 50% LDT of the ship or on reducing quality is not logical and acceptable. The Port's view in this issue appears to be acceptable.

(Lviii). In the charges leviable for operation of passenger boats, catamarans, hovercrafts and speedboats, presently peak hour service is from 9 a.m. to 11.30 a.m. and from 5 p.m. to 8 p.m. Presently the fee leviable is ₹6.25 per passenger for peak period and ₹3.00 per passenger for non-peak period. The port has proposed to alter the peak hours as from 8 a.m. to 12 noon and from 4 p.m. to 8 p.m. When requested to explain the reasons for this modification, MBPT initially did not furnish any satisfactory reply. Subsequently it informed that the modification in the peak hours has been proposed as most of the passengers are traveling from Mumbai to Mandwa during 8 a.m. to 12 p.m. in the morning and during 4 p.m. to 8 p.m. in the evening. Since alteration of the peak hours has financial implications and the time-pattern of travel of the public could not have changed all on a sudden, the proposal of the port is not agreeable to this Authority.

(Lix). (a). Indian Barge Owners Association has vehemently objected to the levy of Charges for supply of fresh water to vessels/barges. The Association has stated that open bunders which are shallow and unprotected are earmarked by Mumbai Port Trust for allowing water barges to come along. These barges receive water from own sources, either by tanker lorries or by way of BMC pipeline. According to the Association, the barges are berthed one after another in the manner of double-banking, triple-banking etc. and thus 3 to 4 barges simultaneously use the berthing space at the jetty. The Association has claimed that presently private agencies pay to MBPT water conveyance charges on barges for use of bunders, berth hire charges for use of dock berths, port dues and lorry permit charges for allowing water tankers to come to bunders.

The Association has pointed out that no labour is supplied by MBPT for this activity and no other port facility is used by them and no additional expenditure is incurred by the port towards maintenance of any of the facilities.

(b). Prior to the current SOR which has come into effect from 31-12-2006, there were no separate charges prescribed towards this activity. At that time MBPT had stated that the proposed levy is to bring the activity under regulatory frame work and the rate of ₹30 per 1000 litres to be levied is for use of port facilities for rendering the service. Since no objection, whatsoever, was raised from any quarters, this Authority for the reason advanced by the port approved the levy proposed by the port. MBPT, in fact, has neither explained clearly what facilities are provided by it for levying the charges nor has it furnished any details as to the additional expenses, if any, incurred in this respect. In view of the objection raised by the Indian Barge Owners Association and supported by the MANSA, ICC Shipping Corporation, Indian National Ship owner's Association etc. there exists a case to have a review of the charges being levied/proposed to be levied. It is to be noted that the Port itself has given some thought on this issue and has informed that it would like to retain the existing rate of ₹30 per 1000 liter as against the across-the board increase of 30% sought in respect of all other services. Though the Association has requested to abolish the levy completely, this Authority does not like to agree to that extent. However, there is a case to review the existing rate for use of MBPT facilities for supply of fresh water to vessels through bunders by licensed agencies since the same facilities provided thereat for loading or unloading of cargo is only used by the barges for supply of fresh water to vessels in the harbour. As observed by one of the user organizations, water charge is nothing but wharfage under a different name. Presently the wharfage charges levied per tonne at the bunders are as under:

Sl. No.	Description	Rate in ₹	
		Foreign	Costal
(a)	Hazardous cargo	25.00	15.00
(b)	Non-Hazardous excluding salt	15.00	9.00
(c)	Salt	3.75	2.25
(d)	Petroleum Products	12.50	12.50
(e)	Thermal Coal	25.00	25.00
(f)	Coal Other Than Thermal Coal	25.00	15.00
(g)	Steel	25.00	15.00

The commodity water cannot be equated with hazardous cargo or coal or steel or salt or petroleum products. It comes closer to the commodity group non-hazardous cargo. The existing coastal rate for non-hazardous cargo excluding salt is ₹9/- per tonne. In the absence of any cost sheet from the Port, this Authority modifes the existing rate for use of MBPT facilities for supply of fresh water to vessels/barges by licensed agencies through bunders equivalent to this group with increase approved to the cargo handling activity.

(Lx). Recently two new private weighbridges have been installed in the Docks on BOT basis for a period of 10 years. Tariff in this regard has been approved by this Authority at ₹60 per vehicle. MBPT has two 60 tonnes weighbridges installed in the docks as early as in 2003-04. Till now no separate charges therefor have been fixed since the port has not come up with any such proposal. MBPT now feels that it is necessary to have parity between tariffs of Port weighbridges and private weighbridges as in the absence of the same, there is a possibility of traffic getting diverted from one weighbridge to another. Based on the information furnished by the port a cost sheet for 2 MBPT weighbridges (60 tonnes) has been prepared as under:

Particulars	Amount (₹)
Capital Cost (2 weibridges-60 T) at the time of commissioning in 2003-04	3436409
Estimated Life (Year)	10
Depreciation on straight-line method per annum	343641
Depreciation till 31 March 2011 (8 x 343641)	2749128
Written down value as on 1 April 2011	687281
Operating Cost	
Wages at ₹ 33015 and ₹ 32416 per Grade 1 Clerk & Mazdoor resectively per weigh-bridge per shift for three shifts for 12 months (2 x 65431x3x12)	4711032
Maintenance cost	212098
16% ROCE on ₹ 687281	109965
Annual outgoing for two weighbridges	**5033095**
No. of vehicles expected to avail the services	68849
Rate per Vehicle	**73.10**

As per the Port, 1,37,697 vehicles were weighed by MBPT weighbridges in docks during the financial year 2010-11. According to the port the volume of vehicle weighed at MBPT weighbridge is expected to gradually reduce by 50% as and when tariff of MBPT is fixed as remaining 50% is expected to be weighed at the two private weighbridges recently installed at the docks. Since the port has proposed to levy the rate at par with the rate approved for the private operator, which is marginally lower than the rate worked out as above, the rate of ₹60 per vehicle which avail the services of port's weighbridges is approved.

13.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the revised Scale of Rates of MBPT attached as **Annex-II.**

13.2. The revised Scale of Rates and conditionalities governing the rates of the MBPT shall come into effect after expiry of 30 days from the date of notification of the Order in the Gazette of India and shall be in force till 31 March 2014. The approval accorded shall automatically lapse thereafter unless specifically extended by this Authority.

13.3 The validity of the existing SOR of MBPT shall be deemed to have been extended beyond 30 September 2011 till the effective date of implementation of this Order.

13.4. The tariff of the MBPT has been fixed relying on the information furnished by the port and based on the assumptions made as explained in the analysis.

13.5. In this regard, the MBPT is requested to furnish a report of the actual physical and financial performance within 15 days of completion of each quarter of a year i.e. for the period ending on 30 June, 30 September, 31 December and 31 March of each of the years in the same format in which the cost statement for the tariff proposals are filed. The report should also be accompanied with the reasons for variation from the estimates relied upon for fixing the tariff in force. If a variation of (+)/(-)20% is observed between the actual and the estimates for two consecutive quarterly period, this Authority may call upon the MBPT to submit its proposal for an ahead of scheduled review. If the MBPT fails to file a tariff proposal within the time limit to be stipulated by this Authority, this Authority may proceed suo-motu to review the tariff. This apart, analysis of variations may also be made at the time of the next general review to be done at the end of the usual tariff validity period and adjustment of additional surplus, if any, will be made as per the tariff guidelines of March 2005.

(Rani Jadhav)
Chairman

Annex-I (a)

General Revision of Scale of Rates of Mumbai Port Trust

Consolidated Cost Statement for the Port as a whole

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
	Traffic (in Million Metric Tonnes)	**54.54**	**54.59**	**60.00**	**62.00**	**64.00**	**60.00**	**62.00**	**64.00**
I	**Operating Income**								
	(i) Cargo Handling	48853	54152	49748	51392	54205	54321	56120	58510
	(ii) Vessel related income	33937	34322	36434	37647	38862	37722	39204	40470
	(iii) Railway Income	731	948	645	667	866	948	948	948
	(iv) Estate Income	10058	10718	9921	10242	10576	11146	11592	12055
	(v) Stevedoring incl. chipping & painting	6631	7308	6870	7098	7328	7530	7779	8031
	Total (i) to (v)	**100211**	**107448**	**103618**	**107046**	**111838**	**111668**	**115644**	**120014**
II	**Operating cost**								
	(i) Cargo Handling & storage	26293	27983	32211	35674	38015	29670	32711	35002
	(ii) Port and dock facilities	15634	16023	18463	20233	21437	16985	18402	19610
	(iii) Railway Activity	2200	2699	2700	2993	3190	2861	3052	3240
	(iv) Estate Activity	2487	6177	3053	3383	3607	6548	6985	7415
	(v) Stevedoring incl. chipping & painting	13500	14796	15560	17489	18790	15684	16733	17765
	Total (i) to (v)	**60114**	**67678**	**71987**	**79772**	**85039**	**71748**	**77883**	**83032**
III	**Depreciation**								
	(i) Cargo Handling & storage	3141	3163	3155	4191	5858	3163	3163	3163
	(ii) Port and dock facilities	2351	2341	2920	3819	5271	2860	2860	3053
	(iii) Railway Activity	138	123	794	794	794	123	123	123
	(iv) Estate Activity	107	92	505	505	505	92	92	92
	(v) Stevedoring incl. chipping & painting	8	8	8	8	8	8	8	8
	Total (i) to (v)	**5745**	**5727**	**7382**	**9317**	**12436**	**6246**	**6246**	**6439**
IV	**Allocated Management & General ohds**								
	(i) Cargo Handling & storage	9811	10125	12102	13438	14338	10735	11786	12600
	(ii) Port and dock facilities	7403	6456	9814	11104	11969	6844	7546	8075
	(iii) Railway Activity	1531	1548	1879	2082	2220	1641	1809	1937
	(iv) Estate Activity	1897	1827	2750	2580	2750	1937	2135	2284
	(v) Stevedoring incl. chipping & painting	1514	1393	1745	1961	2107	1477	1629	1743
	Total (i) to (v)	**22156**	**21349**	**28290**	**31165**	**33384**	**22634**	**24905**	**26639**
V	**Operating Surplus/(Deficit) (I)–(II)–(III)–(IV)**	**12196**	**12694**	**-4041**	**-13209**	**-19022**	**11040**	**6610**	**3904**
VI	**Finance & Miscellaneous Income (FMI)**								
	(i) Cargo Handling & storage	2756	2351	602	602	607	602	602	607
	(ii) Port and dock facilities	1915	1490	441	441	435	441	441	435
	(iii) Railway Activity	41	41	8	8	10	8	8	10
	(iv) Estate Activity	567	465	120	120	119	120	120	119
	(v) Stevedoring incl. chipping & painting	374	317	12	12	12	12	12	12
	Total (i) to (v)	**5654**	**4665**	**1183**	**1183**	**1183**	**1183**	**1183**	**1183**
VII	**Finance & Miscellaneous Expenses (FME)**								
	(i) Cargo Handling & storage	27335	29166	28314	28314	28314	28314	28314	28314
	(ii) Port and dock facilities	11278	11897	11548	11548	11548	11548	11548	11548
	(iii) Railway Activity	2153	2319	2252	2252	2252	2252	2252	2252
	(iv) Estate Activity	1077	1141	1108	1108	1108	1108	1108	1108
	(v) Stevedoring incl. chipping & painting	4467	7032	8244	8244	8244	8244	8244	8244
	Total (i) to (v)	**46310**	**51555**	**51466**	**51466**	**51466**	**51466**	**51466**	**51466**
VIII	**FMI Less FME (VI) - (VII)**	**-40656**	**-46890**	**-50283**	**-50283**	**-50283**	**-50283**	**-50283**	**-50283**

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
IX	**Surplus Before Interest & Tax (V) + (VIII)**	**-28460**	**-34196**	**-54324**	**-63492**	**-69305**	**-39243**	**-43673**	**-46379**
X	**Capital Employed**								
	(i) Cargo Handling & storage	24700	21769	19033	77257	121163	18606	15443	12280
	(ii) Port and dock facilities	34918	34391	35850	78694	156973	35045	32206	40579
	(iii) Railway Activity	4302	4219	16961	15840	14954	4096	3973	3850
	(iv) Estate Activity	828	770	4321	3730	3202	678	586	494
	(v) Stevedoring incl. chipping & painting	0	0	0	0	0	0	0	0
	Total (i) to (v)	**64748**	**61149**	**76165**	**175521**	**296292**	**58425**	**52208**	**57203**
	Business Assets								
	(i) Cargo Handling & storage	23931	21078				18043	14985	11996
	(ii) Port and dock facilities	33831	33300				34106	31353	39913
	(iii) Railway Activity	4168	4085				3972	3855	3761
	(iv) Estate Activity	802	746				657	569	483
	(v) Stevedoring incl. chipping & painting	0	0				0	0	0
	Total (i) to (v)	**62732**	**59209**				**56778**	**50762**	**56153**
	Business Related Assets								
	(i) Cargo Handling & storage	769	691				563	458	284
	(ii) Port and dock facilities	1087	1091				1066	959	945
	(iii) Railway Activity	134	134				124	118	89
	(iv) Estate Activity	26	24				21	17	11
	(v) Stevedoring incl. chipping & painting	0	0				0	0	0
	Total (i) to (v)	**2016**	**1940**				**1774**	**1552**	**1329**
XI	**ROCE on Business Assets and Business Related Assets**								
	(i) Cargo Handling & storage	3876	3430	2933	12263	19301	2934	2435	1943
	(ii) Port and dock facilities	5479	5420	5690	12551	25082	5525	5078	6419
	(iii) Railway Activity	675	665	2705	2527	2386	646	626	609
	(iv) Estate Activity	130	121	687	593	509	107	92	78
	(v) Stevedoring incl. chipping & painting	0	0	0	0	0	0	0	0
	Total (i) to (v)	**10160**	**9636**	**12015**	**27934**	**47278**	**9212**	**8231**	**9049**
XII	Capacity Utilization	98%	97%	121%	88%	91%	100%	103%	102%
XIII	ROCE adjusted for capacity utilization	10160	9636	12015	27934	47278	9212	8231	9049
XIV	**Net Surplus / (Deficit) (IX) - (XIII)**	**-38620**	**-43832**	**-66339**	**-91426**	**-116583**	**-48455**	**-51904**	**-55428**
XV	**Net Surplus / (Deficit) as a % of operating income (XIV/I in %)**	**-39%**	**-41%**	**-64%**	**-85%**	**-104%**	**-43%**	**-45%**	**-46%**
XVI	**Average Net Surplus / (Deficit) as a % of operating income**				**-85%**			**-45%**	

Annex-I (b)

General Revision of Scale of Rates of Mumbai Port Trust

Consolidated Cost Statement for Cargo handling activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
I	**Operating Income**								
	(i) General Cargo at the Docks	17721	20599	19323	19952	21752	19358	19995	21220
	(ii) General Cargo at the Bunders	1682	2146	1793	1853	1912	2160	2231	2303
	(iii) Cranes Vessel	110	143	121	125	129	147	152	157
	(iv) Uncleared Warehouse	14640	14088	12294	12704	13114	14458	14935	15418
	(v) POL and Liquid chemicals	14700	17176	16217	16758	17298	18198	18808	19411
	Total (i) to (v)	**48853**	**54152**	**49748**	**51392**	**54205**	**54321**	**56120**	**58510**
II	**Operating Expenses**								
	(i) General Cargo at the Docks	20846	21695	25551	28301	30162	23002	25374	27155
	(ii) General Cargo at the Bunders	893	1063	1092	1210	1290	1128	1240	1325
	(iii) Cranes Vessel	288	208	352	392	416	220	243	261
	(iv) Uncleared Warehouse	1937	2486	2373	2628	2800	2636	2911	3116
	(v) POL and Liquid chemicals	2329	2531	2843	3143	3347	2684	2943	3145
	Total (i) to (v)	**26293**	**27983**	**32211**	**35674**	**38015**	**29670**	**32711**	**35002**
III	**Depreciation**								
	(i) General Cargo at the Docks	631	643	642	1678	3345	643	643	643
	(ii) General Cargo at the Bunders	149	155	149	149	149	155	155	155
	(iii) Cranes Vessel	2	2	3	3	3	2	2	2
	(iv) Uncleared Warehouse	72	73	73	73	73	73	73	73
	(v) POL and Liquid chemicals	2287	2290	2288	2288	2288	2290	2290	2290
	Total (i) to (v)	**3141**	**3163**	**3155**	**4191**	**5858**	**3163**	**3163**	**3163**
IV	**Allocated share of Mgmt & General ohds**								
	(i) General Cargo at the Docks	7530	7580	9278	10299	10985	8036	8861	9483
	(ii) General Cargo at the Bunders	289	365	358	397	423	387	427	457
	(iii) Cranes Vessel	166	71	204	225	242	75	83	89
	(iv) Uncleared Warehouse	830	963	1022	1136	1212	1022	1127	1206
	(v) POL and Liquid chemicals	996	1146	1240	1381	1476	1215	1288	1365
	Total (i) to (v)	**9811**	**10125**	**12102**	**13438**	**14338**	**10735**	**11786**	**12600**
V	**Operating Surplus/(Deficit) (I)–(II)–(III)–(IV)**	**9608**	**12881**	**2280**	**-1911**	**-4006**	**10753**	**8460**	**7745**
VI	**Allocated share of FMI**								
	(i) General Cargo at the Docks	1000	894	234	234	244	234	234	244
	(ii) General Cargo at the Bunders	95	93	22	22	21	22	22	21
	(iii) Cranes Vessel	6	6	1	1	1	1	1	1
	(iv) Uncleared Warehouse	826	612	149	149	147	149	149	147
	(v) POL and Liquid chemicals	829	746	196	196	194	196	196	194
	Total (i) to (v)	**2756**	**2351**	**602**	**602**	**607**	**602**	**602**	**607**
VII	**Allocated share of FME**								
	(i) General Cargo at the Docks	22028	22983	22312	22312	22312	22312	22312	22312
	(ii) General Cargo at the Bunders	630	730	709	709	709	709	709	709
	(iii) Cranes Vessel	387	229	222	222	222	222	222	222
	(iv) Uncleared Warehouse	2106	2823	2740	2740	2740	2740	2740	2740
	(v) POL and Liquid chemicals	2184	2401	2331	2331	2331	2331	2331	2331
	Total (i) to (v)	**27335**	**29166**	**28314**	**28314**	**28314**	**28314**	**28314**	**28314**
VIII	**FMI Less FME (VI) - (VII)**	**-24579**	**-26815**	**-27712**	**-27712**	**-27707**	**-27712**	**-27712**	**-27707**
IX	**Surplus / deficit (V) + (VIII)**	**-14970**	**-13934**	**-25432**	**-29623**	**-31713**	**-16959**	**-19252**	**-19962**

(Rs. in Lakhs)

Sr. No.	Particulars	Actuals		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
X	**Capital Employed for the activity**								
	(i) General Cargo at the Docks	8585	8084	7597	68572	115049	7441	6798	6155
	(ii) General Cargo at the Bunders	1580	1462	1323	1148	992	1307	1152	997
	(iii) Cranes Vessel	31	31	28	25	22	29	27	25
	(iv) Uncleared Warehouse	1506	1440	1409	1310	1230	1367	1294	1221
	(v) POL and Liquid chemicals	12998	10752	8676	6202	3870	8462	6172	3882
	Total (i) to (v)	**24700**	**21769**	**19033**	**77257**	**121163**	**18606**	**15443**	**12280**
	Business Assets								
	(i) General Cargo at the Docks	8318	7827				7216	6596	6013
	(ii) General Cargo at the Bunders	1531	1416				1267	1118	974
	(iii) Cranes Vessel	30	30				28	26	24
	(iv) Uncleared Warehouse	1459	1394				1326	1256	1193
	(v) POL and Liquid chemicals	12593	10411				8206	5989	3792
	Total (i) to (v)	**23931**	**21078**				**18043**	**14985**	**11996**
	Business Related								
	(i) General Cargo at the Docks	267	257				225	202	142
	(ii) General Cargo at the Bunders	49	46				40	34	23
	(iii) Cranes Vessel	1	1				1	1	1
	(iv) Uncleared Warehouse	47	46				41	38	28
	(v) POL and Liquid chemicals	405	341				256	183	90
	Total (i) to (v)	**769**	**691**				**563**	**458**	**284**
XI	**ROCE on Business Assets and Business Related Assets**								
	(i) General Cargo at the Docks	1347	1274	1125	10892	18340	1173	1072	974
	(ii) General Cargo at the Bunders	248	230	209	181	157	206	182	158
	(iii) Cranes Vessel	5	5	3	3	2	5	4	4
	(iv) Uncleared Warehouse	236	227	217	202	190	216	204	193
	(v) POL and Liquid chemicals	2040	1694	1379	985	612	1334	973	614
	Total (i) to (v)	**3876**	**3430**	**2933**	**12263**	**19301**	**2934**	**2435**	**1943**
XII	Capacity Utilization	98%	97%	121%	88%	91%	100%	103%	102%
XIII	ROCE adjusted for Capacity utilization	3876	3430	2933	12263	19301	2934	2435	1943
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-18846**	**-17364**	**-28365**	**-41886**	**-51014**	**-19893**	**-21687**	**-21905**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-39%**	**-32%**	**-57%**	**-82%**	**-94%**	**-37%**	**-39%**	**-37%**
XVI	**Average Net Surplus / (Deficit) as a % of operating income**				**-78%**			**-38%**	

Annex-I (c)

General Revision of Scale of Rates of Mumbai Port Trust

Consolidated Cost Statement for Port & Dock activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actual		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
I	**Operating Income**								
	(i) Port dues (including Anchorage)	9006	9299	9658	9980	10302	10000	10393	10728
	(ii) Berth Hire	5878	5736	6544	6762	6980	6775	7042	7269
	(iii) Pier Dues	5677	5715	6227	6434	6642	6447	6700	6917
	(iv) Dry Docking	1439	835	750	775	800	777	807	833
	(v) Pilotage & Towage	10109	10260	11243	11618	11993	11641	12099	12489
	(vi) Ship breaking	1828	2477	2012	2078	2145	2083	2164	2234
	Total (i) to (vi)	**33937**	**34322**	**36434**	**37647**	**38862**	**37722**	**39204**	**40470**
II	**Operating Expenses**								
	(i) Port conservancy	1162	1392	1302	1376	1425	1476	1572	1668
	(ii) Comp. Berth Hire	4645	5445	5560	6125	6506	5773	6287	6708
	(iii) BM Bunder	3516	3507	3949	4281	4507	3717	3997	4252
	(iv) Dry Docking	677	520	826	913	974	551	607	649
	(v) Pilotage & Towage	5317	4988	6438	7109	7567	5287	5746	6128
	(vi) Ship breaking	317	171	388	429	458	181	193	205
	Total (i) to (vi)	**15634**	**16023**	**18463**	**20233**	**21437**	**16985**	**18402**	**19610**
III	**Depreciation**								
	(i) Port conservancy	48	47	48	48	398	47	47	47
	(ii) Comp. Berth Hire	222	333	224	930	930	333	333	333
	(iii) BM Bunder	1393	1244	1395	888	2690	1244	1244	1437
	(iv) Dry Docking	76	122	120	120	120	122	122	122
	(v) Pilotage & Towage	609	594	1130	1130	1130	1114	1114	1114
	(vi) Ship breaking	3	1	3	3	3	0	0	0
	Total (i) to (vi)	**2351**	**2341**	**2920**	**3119**	**5271**	**2860**	**2860**	**3053**
IV	**Allocated share of Mgmt & General ohds**								
	(i) Port conservancy	302	320	494	616	698	339	374	400
	(ii) Comp. Berth Hire	2124	2436	2750	3085	3311	2583	2848	3048
	(iii) BM Bunder	2609	1353	3572	4051	4375	1434	1581	1692
	(iv) Dry Docking	312	273	388	432	461	289	318	340
	(v) Pilotage & Towage	1930	2017	2455	2747	2940	2139	2358	2523
	(vi) Ship breaking	126	57	85	173	184	60	67	72
	Total (i) to (vi)	**7403**	**6456**	**9744**	**11104**	**11969**	**6844**	**7546**	**8075**
V	**Operating Surplus/(Deficit) (I)–(II)–(III)–(IV)**	**8549**	**9502**	**5307**	**3191**	**185**	**11033**	**10396**	**9732**
VI	**Allocated share of FMI**								
	(i) Port conservancy	508	404	117	117	116	117	117	116
	(ii) Comp. Berth Hire	332	249	79	79	78	79	79	78
	(iii) BM Bunder	320	248	76	76	74	76	76	74
	(iv) Dry Docking	81	36	9	9	9	9	9	9
	(v) Pilotage & Towage	570	445	136	136	134	136	136	134
	(vi) Ship breaking	103	108	24	24	24	24	24	24
	Total (i) to (vi)	**1915**	**1490**	**441**	**441**	**435**	**441**	**441**	**435**
VII	**Allocated share of FME**								
	(i) Port conservancy	155	156	152	152	152	152	152	152
	(ii) Comp. Berth Hire	4568	5474	5312	5312	5312	5312	5312	5312
	(iii) BM Bunder	4249	2283	2216	2216	2216	2216	2216	2216
	(iv) Dry Docking	578	581	564	564	564	564	564	564
	(v) Pilotage & Towage	1692	3366	3268	3268	3268	3268	3268	3268
	(vi) Ship breaking	36	37	36	36	36	36	36	36
	Total (i) to (vi)	**11278**	**11897**	**11548**	**11548**	**11548**	**11548**	**11548**	**11548**

(Rs. in Lakhs)

Sr. No.	Particulars	Actual		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
VIII	**FMI Less FME (VI) - (VII)**	**-9363**	**-10407**	**-11107**	**-11107**	**-11113**	**-11107**	**-11107**	**-11113**
IX	**Surplus / deficit (V) + (VIII)**	**-814**	**-905**	**-5800**	**-7916**	**-10928**	**-74**	**-711**	**-1381**
X	**Capital Employed for the activity**								
	(i) Port conservancy	165	188	70	20	17196	141	94	47
	(ii) Comp. Berth Hire	3776	3467	3444	38097	36949	3134	2801	2468
	(iii) BM Bunder	21657	20425	19442	29189	92761	19181	17937	27905
	(iv) Dry Docking	1465	2993	2849	2675	2540	2871	2749	2627
	(v) Pilotage & Towage	7817	7281	10011	8683	7500	9681	8588	7495
	(vi) Ship breaking	38	37	34	30	27	37	37	37
	Total (i) to (vi)	**34918**	**34391**	**35850**	**78694**	**156973**	**35045**	**32206**	**40579**
	Business Assets								
	(i) Port conservancy	160	182				137	91	46
	(ii) Comp. Berth Hire	3658	3357				3039	2718	2411
	(iii) BM Bunder	20983	19777				18600	17405	27450
	(iv) Dry Docking	1419	2898				2784	2667	2566
	(v) Pilotage & Towage	7574	7050				9510	8436	7405
	(vi) Ship breaking	37	36				36	36	36
	Total (i) to (vi)	**33831**	**33300**				**34106**	**31353**	**39913**
	Business Related								
	(i) Port conservancy	5	6				4	3	1
	(ii) Comp. Berth Hire	118	110				95	83	57
	(iii) BM Bunder	674	648				581	532	650
	(iv) Dry Docking	46	95				87	82	61
	(v) Pilotage & Towage	243	231				298	258	175
	(vi) Ship breaking	1	1				1	1	1
	Total (i) to (vi)	**1087**	**1091**				**1066**	**959**	**945**
XI	**ROCE on Business Assets and Business Related Assets**								
	(i) Port conservancy	26	30	11	3	2751	22	15	7
	(ii) Comp. Berth Hire	592	546	532	6079	5898	494	442	390
	(iii) BM Bunder	3398	3219	3093	4655	14829	3024	2828	4414
	(iv) Dry Docking	230	472	454	426	405	453	433	416
	(v) Pilotage & Towage	1227	1147	895	1383	1195	1526	1354	1186
	(vi) Ship breaking	6	6	5	5	4	6	6	6
	Total (i) to (vi)	**5479**	**5420**	**4990**	**12551**	**25082**	**5525**	**5078**	**6419**
XII	**Capacity Utilization**	98%	97%	121%	88%	91%	100%	103%	102%
XIII	**ROCE adjusted for Capacity utilization**	**5479**	**5420**	**4990**	**12551**	**25082**	**5525**	**5078**	**6419**
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-6293**	**-6325**	**-10790**	**-20467**	**-36010**	**-5599**	**-5789**	**-7800**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-19%**	**-18%**	**-30%**	**-54%**	**-93%**	**-15%**	**-15%**	**-19%**
XVI	**Average Net Surplus / (Deficit) as a % of operating income**				**-60%**			**-16%**	

Annex-I (d)

General Revision of Scale of Rates of Mumbai Port Trust

Consolidated Cost Statement for Railway activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actual		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
I	**Operating Income**								
	(i) Haulage	383	490	339	350	455	490	490	490
	(ii) Terminal charges	301	414	280	289	376	414	414	414
	(iii) Others	48	44	26	27	36	44	44	44
	Total	**731**	**948**	**645**	**667**	**866**	**948**	**948**	**948**
II	Direct Operating Expenses	2200	2699	2700	2993	3190	2861	3052	3240
III	Depreciation	138	123	794	794	794	123	123	123
IV	Allocated Management & General overheads	1531	1548	1879	2082	2220	1641	1809	1937
V	**Operating Surplus/(Deficit) (I)–(II)–(III)–(IV)**	**-3138**	**-3422**	**-4728**	**-5203**	**-5338**	**-3677**	**-4036**	**-4352**
VI	Allocated share of FMI	41	41	8	8	10	8	8	10
VII	Allocated share of FME	2153	2319	2252	2252	2252	2252	2252	2252
VIII	FMI Less FME (VI) - (VII)	**-2112**	**-2278**	**-2244**	**-2244**	**-2242**	**-2244**	**-2244**	**-2242**
IX	**Surplus / deficit (V) + (VIII)**	**-5249**	**-5699**	**-6972**	**-7447**	**-7580**	**-5921**	**-6280**	**-6594**
X	**Capital Employed for the activity**	**4302**	**4219**	**16961**	**15840**	**14954**	**4096**	**3973**	**3850**
	Business Assets	4168	4085				3972	3855	3761
	Business Related Assets	134	134				124	118	89
XI	**ROCE on Business Assets and Business Related Assets**	**675**	**665**	**2705**	**2527**	**2386**	**646**	**626**	**609**
XII	Capacity Utilization	98%	97%	121%	88%	91%	100%	103%	102%
XIII	ROCE adjusted for Capacity utilization	**675**	**665**	**2705**	**2527**	**2386**	**646**	**626**	**609**
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-5924**	**-6364**	**-9677**	**-9974**	**-9966**	**-6567**	**-6906**	**-7203**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-810%**	**-671%**	**-1500%**	**-1496%**	**-1150%**	**-692%**	**-728%**	**-759%**
XVI	**Average Net Surplus / (Deficit) as a % of operating income**				**-1360%**			**-727%**	

Annex-I (e)

General Revision of Scale of Rates of Mumbai Port Trust

Consolidated Cost Statement for Estate activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actual		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
I	**Operating Income**								
	(i) Rent from land	7162	8286	7160	7446	7744	8617	8962	9320
	(ii) Others	2896	2432	2761	2796	2832	2529	2630	2735
	Total	**10058**	**10718**	**9921**	**10242**	**10576**	**11146**	**11592**	**12055**
II	Operating Cost	2487	6177	3053	3383	3607	6548	6985	7415
III	Depreciation	107	92	505	505	505	92	92	92
IV	Allocated share of Management and General	1897	1827	2327	2580	2750	1937	2135	2284
V	**Operating Surplus/(Deficit) (I)–(II)–(III)–(IV)**	**5567**	**2622**	**4036**	**3774**	**3714**	**2569**	**2380**	**2264**
VI	Allocated share of FMI	567	465	120	120	119	120	120	119
VII	Allocated share of FME	1077	1141	1108	1108	1108	1108	1108	1108
VIII	FMI Less FME (VI) - (VII)	**-510**	**-676**	**-988**	**-988**	**-989**	**-988**	**-988**	**-989**
IX	**Surplus / deficit (V) + (VIII)**	**5058**	**1946**	**3048**	**2786**	**2725**	**1581**	**1392**	**1275**
X	**Capital Employed for the activity**	**828**	**770**	**4321**	**3730**	**3202**	**678**	**586**	**494**
	Business Assets	802	746				657	569	483
	Business Related Assets	26	24				21	17	11
XI	**ROCE on Business Assets and Business Related Assets**	130	121	687	593	509	107	92	78
XII	Capacity Utilization	98%	97%	121%	88%	91%	100%	103%	102%
XIII	ROCE adjusted for Capacity utilization	130	121	109	687	593	107	92	78
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**4928**	**1825**	**2939**	**2099**	**2132**	**1474**	**1300**	**1197**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**49%**	**17%**	**30%**	**20%**	**20%**	**13%**	**11%**	**10%**
XVI	**Average Net Surplus / (Deficit) as a % of operating income**				**23%**			**11%**	

Annex-I (f)

General Revision of Scale of Rates of Mumbai Port Trust

Consolidated Cost Statement for Stevedoring activity

(Rs. in Lakhs)

Sr. No.	Particulars	Actual		Estimates furnished by MBPT			Estimates modified by TAMP		
		2009-10	2010-11	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
I	**Operating Income**	**6631**	**7308**	**6870**	**7098**	**7328**	**7530**	**7779**	**8031**
II	**Operating Expenses**	13500	14796	15560	17489	18790	15684	16733	17765
III	Depreciation	8	8	8	8	8	8	8	8
IV	Allocated Management & General overheads	1514	1393	1745	1961	2107	1477	1629	1743
V	**Operating Surplus/(Deficit) (I)–(II)–(III)–(IV)**	**-8391**	**-8889**	**-10443**	**-12360**	**-13577**	**-9639**	**-10591**	**-11485**
VI	Allocated share of FMI	374	317	12	12	12	12	12	12
VII	Allocated share of FME	4467	7032	8244	8244	8244	8244	8244	8244
VIII	FMI Less FME (VI) - (VII)	**-4093**	**-6715**	**-8232**	**-8232**	**-8232**	**-8232**	**-8232**	**-8232**
IX	**Surplus / deficit (V) + (VIII)**	**-12484**	**-15604**	**-18675**	**-20592**	**-21809**	**-17871**	**-18823**	**-19717**
X	Capital Employed for the activity	0	0	0	0	0	0	0	0
XI	**ROCE on Business Assets and Business Related Assets**	0	0	0	0	0	0	0	0
XII	Capacity Utilization	98%	97%	121%	88%	91%	100%	103%	102%
XIII	ROCE adjusted for Capacity utilization	0	0	0	0	0	0	0	0
XIV	**Net surplus / (Deficit) (IX) - (XIII)**	**-12484**	**-15604**	**-18675**	**-20592**	**-21809**	**-17871**	**-18823**	**-19717**
XV	**Net Surplus / (Deficit) as a % of Operating Income (XIV/I in %)**	**-188%**	**-214%**	**-272%**	**-290%**	**-298%**	**-237%**	**-242%**	**-246%**
XVI	**Average Net Surplus / (Deficit) as a % of operating income**				**-287%**			**-242%**	

Annex-II

MUMBAI PORT TRUST

SCALE OF RATES

CHAPTER - I

1.1. Definitions

In this Scale of Rates, unless the context otherwise requires, the following definitions shall apply:

(i). "Ballast" - Heavy material placed in the holds of a ship or more often in the ballast tanks, positioned in the compartments right at the bottom and in rare cases on the sides for stabilization and make ship seaworthy in all respects. This may consist of liquid material commonly water.

(ii). 'Coastal Vessel' shall mean any vessel exclusively employed in trading between any port or place in India to any other port or place in India having valid coastal licence issued by the competent authority.

(iii). "Cold Move" shall mean the movement of the vessels without the power of the engine of the vessel.

(iv). "Cruise Vessel" shall mean any vessel carrying passengers for an ocean trip taken for pleasure calling at ports and other than pleasure yachts.

(v). "Day" means a calendar day i.e. the period from the midnight of a day to the midnight of the following day.

(vi). "Demurrage" shall mean charges payable for storage of cargo within port premises beyond free period, as specified in the scale of rates.

(vii). 'Foreign-going Vessel' shall mean any vessel other than Coastal vessel.

(viii). "Free period" shall mean the period during which cargo/container shall be allowed storage free of demurrage charges and this period shall exclude Sunday(s), customs holidays and Port's non-working days.

(ix) "Full Container Load" (FCL) shall mean a container containing cargo belonging to one consignee in the vessel's manifest.

(x). 'GRT' means Gross Registered Tonnage of vessel as per the Ship's Registry or the International Tonnage Certificate issued by the competent authorities or a declaration from Defence Authorities in respect of war ships/ Naval ships.

(xi). "Hazardous Container" shall mean a container containing hazardous goods as classified under IMO.

(xii). "Less than a Container Load" (LCL) shall mean a container containing cargo belonging to more than one consignee in the vessel's manifest.

(xiii). "Month" shall mean 30 consecutive calendar days including holidays.

(xiv). "Over dimensional container" shall mean a container carrying over dimensional cargo beyond the normal size of standard containers and needing special devices like slings, shackles, lifting beam etc. They also include damaged containers and other types which require special devices.

(xv). ‘Pleasure Yacht’ means a ship howsoever propelled which is exclusively used for pleasure cruises and does not carry any passengers on a commercial basis.

(xvi). “Reefer Container” shall mean a refrigerated container used for carriage of perishable goods with provision for electrical supply to maintain the desired temperature.

(xvii). Sailing vessels shall mean the vessels propelled solely by wind power and includes vessels fitted with mechanical means of propulsion.

(xviii). “Shut out Container” shall mean a container, which enters into the port as an export intake for a particular vessel (as indicated by the Vessel Identification Advice Number, i.e. VIA No.) and is not connected to the particular vessel for reasons whatsoever.

(xix). “Shut out Cargo” shall mean any cargo brought into the port for shipment but not shipped by the designated vessel and is lying in the port premises.

(xx). ‘Telegraph Vessel’ means a vessel equipped with machinery and gears for lifting, examining and laying sub-marine cables for overseas communications.

(xxi). “Transhipment cargo” shall mean any cargo not originally manifested for the port of Mumbai, but landed at Mumbai and subsequently reshipped to other ports.

(xxii). “Transhipment container” shall mean any container, which is discharged from one vessel, stored in the yard and transported through another vessel.

(xxiii). ‘Vessel’ includes any thing made for the conveyance mainly by water of human being or of goods and a caisson.

(xxiv). Vessel Completion Date (VCD)

(a). For vessel in the Docks - the date on which import operations of the vessel are fully completed.

(b). For vessels in the midstream - the date following two days after the date of completion of discharging of mother vessel in stream or date of discharge of last barge at berth, whichever is earlier.

(xxv). "Wharfage" shall mean the basic due recoverable on all cargo/container imported or exported or transhipped or passing through the port, whether porteraged by the port or not.

1.2. <u>General Terms and Conditions</u>

(i). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for its classification as ‘coastal’ or ‘foreign-going’ for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

(ii). (a). A foreign going vessel of Indian Flag having a General Trading Licence can convert to Coastal run on the basis of a Customs Conversion Order or on filing of Coastal International General Manifest in Coastal Establishment Section of Customs Department.

(b). A foreign going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.

(c). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.

(d). In cases of such conversion, coastal rates shall be chargeable only till the vessel completes coastal cargo discharging operations; immediately thereafter, foreign-going rates shall be chargeable by the discharge ports.

(e). For dedicated Indian coastal vessels having a Coastal Licence from the Director General of Shipping, no other document will be required to be entitled to Coastal rates.

(iii). (a). All dollar denominated tariff will be recovered in Indian Rupees after conversion of charges in dollar terms into its equivalent Indian Rupees at the market buying rate notified by the Reserve Bank of India, State Bank of India or its associates or any other Public Sector banks as may be specified from time to time.

(b). The day of entry of the vessel into port limits shall be reckoned as the day for such conversion. In respect of charges on containers, the day of entry of the vessel in the case of import containers and the day of arrival of containers into the port in the case of export containers shall be reckoned as the day for such conversion.

(c). A regular review of exchange rate shall be made once in 30 days from the date of arrival in the cases of vessels staying in the port for longer period. The basis of billing shall change prospectively with reference to the appropriate exchange rate prevailing at the time of review.

(iv). Users will not be required to pay charges for delays beyond a reasonable level attributable to the port.

(v). Interest on delayed payments / refunds:

(a). The user shall pay penal interest on delayed payments and Port shall pay penal interest on delayed refunds at the rate of 16.25% per annum.

(b). The delay in payments by user will be counted beyond 10 days after the date of raising the bills. This provision will not apply to the case where payment is to be made before availing of the services / use of port properties as stipulated in the MPT Act, 1963 and / or prescribed as a condition in the tariff.

(c). The delay in refunds by the port will be counted beyond 20 days from the date of completion of services or on production of all the documents required from the user, whichever is later.

(vi). (a). The rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The port may, if it so desires, charge lower rates and/or allow higher rebates and discounts.

(b). The port may , if it so desires, rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the user in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling level.

(c) The port should notify the public such lower rates and/or rationalisation of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and/or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.

(vii) (a). Wherever a specific tariff for a service/cargo is not available in the notified Scale of Rates, the MBPT can submit a suitable proposal to the TAMP.

(b). Simultaneously with the submission of proposal, the proposed rate can be levied on an ad hoc basis till the rate is finally notified.

(c). The ad hoc rate to be operated in the interim period must be derived based on existing notified tariffs for comparable services/ cargo; and, it must be mutually agreed upon by the Port and the concerned user(s).

(d). The final rate fixed by the TAMP will ordinarily be effective only prospectively. The interim rate adopted in an ad hoc manner will be recognised as such unless it is found to be excessive requiring some moderation retrospectively.

(viii). The minimum charges recovered in any bill shall be Rupees one hundred (`100/-) only.

(ix). All charges worked out shall be rounded off to the next higher rupee on the grand total of each bill.

(x). In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto 0.5 shall be taken as 0.5 unit and fractions of 0.5 and above shall be treated as one unit, except where otherwise specified.

(xi). No refund shall be made unless the amount refundable is `100/- or more. Similarly, short collection upto `100/- will not be demanded by the port.

(xii) (a). The vessel related charges for coastal ships will be 60% of the charges levied for other vessels.

(b). The cargo/container related charges for coastal cargo/containers, other than thermal coal and POL including crude oil iron ore and iron ore pellets will be 60% of the normal cargo/container related charges.

(c). In case of cargo related charges, the concessional rates shall be levied on all the relevant handling charges for ship-shore transfer and transfer from/to quay to/from storage yard including wharfage.

(d). In case of container related charges the concession is applicable on composite box rate. Where itemized charges are levied, the concession shall be on all the relevant charges for ship-shore transfer and transfer from/to quay to/from storage yard as well as wharfage on cargo and containers.

(e). Cargo / container from foreign port landing at Mumbai Port for subsequent transhipment to an Indian Port for Coastal Voyage or vice versa would be charged at 50% of the transhipment charges prescribed for foreign going vessels and 50% of that prescribed for coastal category.

(f). The charges for coastal cargo/containers/vessels will be denominated and collected in Indian Rupees.

(xiii). Vessel related charges for cruise vessels will be 60% of the relevant applicable charges leviable on for other vessels.

CHAPTER – II

VESSEL RELATED CHARGES

Docks are classified as (a) Indira Dock including the Ballard Pier, Ballard Pier Extension and Harbour Wall berths, (b) Prince's & Victoria Docks, (c) Naval Docks, (d) Mazgaon Dock, Kassara Basin, (e) Bunders and Darukhana and (f) Jetties at Jawahar Dweep and Pir Pau.

2.1. Composite Pilotage and Towage Charges

(A) Cargo Vessels

Sr. No.	Size of the vessel	*Docks	@ Stream	*Jawahar Dweep / Pir Pau	Shifting Charges
		(Rate per GRT)			
1.	0-30,000 GRT a. Foreign going (in US $)	0.4263	0.0771	0.7686	0.1059
	b. Coastal (in `)	11.6601	2.1080	21.0281	2.9290
2.	30,001 - 60,000 GRT a. Foreign going (in US $)	US $ 12789 for 1st 30,000 GRT + US $ 0.3410 for every additional GRT	US $ 2313 for 1st 30,000 GRT + US $ 0.0616 for every additional GRT	US $ 23,058 for 1st 30,000 GRT + US $ 0.6149 for every additional GRT	US $ 3177 for 1st 30,000 GRT + US $ 0.0847 for every additional GRT
	b. Coastal (in `)	`3498 for 1st 30,000 GRT + `9.328 for every additional GRT	`63,240 for 1st 30,000 GRT + `1.686 for every additional GRT	`6,30,840 for 1st 30,000 GRT + `16.821 for every additional GRT	`87,870 for 1st 30,000 GRT + ` 2.342 for every additional GRT
3.	Above 60,000 GRT a. Foreign going (in US $)	US $ 23,019 for 1st 60,000 GRT + US $ 0.2984 for every additional GRT	US $ 4161 for 1st 60,000 GRT + US $ 0.0539 for every additional GRT	US $ 41505 for 1st 60,000 GRT + US $ 0.5380 for every additional GRT	US $ 5718 for 1st 60,000 GRT + US $ 0.0740 for every additional GRT
	b. Coastal (in`)	`6,29,640 for 1st 60,000 GRT + `8.162 for every additional GRT	`1,13,820 for 1st 60,000 GRT + `1.475 for every additional GRT	`11,35,470 for 1st 60,000 GRT + `14.719 for every additional GRT	`1,58,130 for 1st 60,000 GRT + `2.049 for every additional GRT

* Includes vessels docking either directly from sea or from stream.
@ Includes vessels coming from sea to stream and back to sea without tugs.

(B) Miscellaneous Vessels

	Rate per GRT	
	Foreign (In US $)	Coastal (In`)
Off Shore Supply Vessels, Survey vessels and specific support vessels, floating cranes, rig vessels, dredgers, vessels under construction, telegraph vessels.	0.3553	9.7121
Tugs boats , Passenger boats, Fishing trawlers, Self propelled Barges, dumb barges, lash barges, pleasure yacht, country crafts, crew boats, etc.	0.1496	4.0871

Rates above are without tug assistance. If any tug assistance is required the rates as per Section 2.1(A) above will be applicable.

Notes:

(1). Above rates are for one inward and one outward movement with required number of tugs/launches of adequate capacity and shifting/s of vessels for port convenience.

(2) For every Shifting at the request of the vessels the shifting charges as specified in Section 2.1 (A) above are leviable.

(3). Charges for movement without the power of the engine of the vessel shall be levied at twice the rates applicable.

(4). In the event of a vessel in distress or is not able to move on its own propulsion or cold move additional tug hire charges will be levied.

(5). Supply vessels/tugs going to MFL/MPL (Nhava Sheva Cross line) shall be treated as leaving Mumbai Port and going to sea and next arrival of the vessel shall be treated as fresh voyage.

(6). Tugs working as supply vessels shall be treated as supply vessels for levy of charges.

(7). Vessels traversing from Sea to other Ports situated within port limits through MBPT waters shall be treated as Sea/MFL to stream as arrival and from Stream to inner Port MBPT cross line as departure and fresh arrival from the same route will be treated as fresh voyage for purpose of levy of MBPT charges.

(8). Pilotage cum towage shall be charged 50% of the prescribed rates for inward and outward leg of the vessel depending upon the status of the vessel at each leg (i.e.) either Foreign going or Coastal.

2.2. Charges on vessels/Barges/ boats for arranging alongside other vessel for working of cargo in mid-stream and Port Lighterage Anchorage Area (Double Banking)

Sl. No.	Nature of Movements	Rate per GRT	
		Coastal vessel (in `)	Foreign-going Vessel (in US $)
(a).	Double Banking with tug assistance	7.902	0.2890
(b).	Double Banking without tug assistance	5.579	0.2039
(c).	Lighterage dues on Mother Vessels discharging / receiving cargo - On foreign-going vessels and coastal vessels lighterage dues respectively at the rate of US $ 0.0057 and `0.156 per GRT for a period of one hour or part thereof shall be levied from the time it is anchored / occupies the place in stream and Port Lighterage Anchorage Area for working cargo. Anchorage charges shall be levied during the period vessel is not working cargo. The lighterage dues shall not be levied on the vessels engaged in mid-stream discharge at Port Lighterage Anchorage Area Port Limit for (I) vessel which discharges part cargo for reducing the draft of the vessel for calling at the Docks / Pier of MBPT and if subsequently calls at Docks or Piers of Mumbai Port, (2) vessels which discharge entire cargo into barges for subsequent discharge at Docks / Bunders of Mumbai Port and sail out from stream / Port Lighterage Anchorage Area and the discharged cargo is subsequently brought at Docks / Bunders and (3) mother vessels which receive cargo brought by the barges loaded from the MBPT Docks/Bunders.		

2.3. Lighterage dues at the rate of `7.40 per tonne shall be levied on the cargo, unloaded from or loaded into, the vessels anchored within the Port approaches and the cargo is transported through Mumbai Port Waters. Provided, however, that Lighterage dues shall not be levied on the cargo destined to or from the Port of Mumbai'

General Notes to Sections 2.1 & 2.2 above

(1) Shifting of vessels for Port convenience is defined to mean the following:

i) If a working cargo vessel is required to be shifted to another berth so as to enable berthing or sailing of another vessel at the same berth or any other berth in the Dock in view of restriction of LOA, beam, draft, etc., such shiftings shall be considered as shifting for Port convenience.

ii) If a working cargo vessel is required to be shifted from one berth to another berth due to non-availability of storage space of import or export cargo requiring covered accommodation, such shifting shall be considered as shifting for Port convenience.

iii) Whenever a vessel is required to be shifted from the cargo berth to the gantry berth for the convenience of container loading/ unloading, such shifting will be treated as shifting for Port convenience provided the agents of the vessel have made specific request to that effect in their berthing application.

iv) Whenever a vessel is required to be shifted from one berth to another berth via stream so as to accommodate another vessel or the same vessel in view of the restriction of LOA, beam, draft, etc., such shiftings shall be treated for Port convenience.

v) Whenever an export loading vessel is required to be shifted from Harbour Wall berths to BPX/BPS berths due to restriction of LOA, beam and draft via stream, such shiftings shall be treated for Port convenience.

vi) Whenever an import discharging vessel is required to be shifted from BPX/BPS to Harbour Wall berths due to restrictions of LOA, beam and draft via stream so as to accommodate another vessel at BPX/BPS, such shiftings shall be treated for Port convenience.

vii) Whenever irrespective of loading/discharging, if the vessels are required to reposition either from Harbour Wall berths to BPX/BPS berth and vice versa, and if such shiftings are required to be done due to restrictions of LOA, beam and draft, the same shall be treated for port convenience.

viii) Whenever a vessel is shifted either from Harbour wall berths or BPX/BPS berths to stream so as to accommodate another ousting priority vessel, such shifting shall be treated for Port convenience.

ix) Whenever vessels are required to be shifted from deep draft anchorage to lesser draft anchorage in order to accommodate vessel of higher draft, such shifting shall be treated for Port convenience.

(2). For piloting a tug in tow of another barge or barges, charges at the above rates shall be levied on the aggregate Gross Registered Tonnage of the tug and the barge or barges in tow.

(3). Vessels which come within the definition of – ‘Coastal Vessels’ and for which regular berths have been provided at the Dock Harbour Wall shall not be charged all inclusive rate when such vessels are piloted direct from their berths to the open sea or vice versa, by their licensed Masters. In all other cases the usual all inclusive rates shall be charged on such vessels.

(4). For intercepting a vessel outside the Pilot Station but within the Port’s limit at the request of the Masters/Owners or Agents of the vessels, a composite charge of `4145/- in case of coastal vessel US $ 151.50 in case of foreign-going vessels will be levied.

2.4. Charges for attendance, cancellation and detention for a harbour tug

Sl. No.		Coastal vessel (in `)	Foreign-going Vessel (in US $)
(a).	Attendance by Tug for a vessel on fire for every hour or part thereof per tug	6690.967	244.5530
(b).	Detention charges for every half an hour or part thereof per tug for cancellation of a tug after it is ordered to tow a vessel and goes alongside [period to be computed from the time the tug leaves its station to the time it returns thereto] or charges for detention of a tug by reasons of a vessel not being ready or any other cause after it has gone alongside a vessel, when the tug is not cancelled	4861.499	177.6868
(c).	Attendance of a tug on a vessel at Jawahar Dweep / Pir Pau for every 24 hours or part thereof per tug	60803.767	2222.3601

Notes:

(1). Charges for attendance by a tug for a vessel on fire will be payable only if the vessel on fire requisitions services of an additional tug.

(2). The charges for attendance of a tug on a vessel at Jawahar Dweep / Pir Pau shall become payable only if the vessel requisitions services of an additional tug.

2.5. Attendance and Detention Fees for Master Pilots and Pilots –

(a). When a Master Pilot/Pilot is required to attend a vessel beyond the limits of the Port, in circumstances of unavoidable necessity, a separate fee of `6150 / US $ 235.52 shall be charged in respect of coastal / foreign-going vessels for every six hours or part thereof from the time the vessel goes beyond the limits of the Port till the time the Pilot returns to Mumbai. Further, the boarding and loading and traveling expenses to which the master pilot or pilot is entitled shall be recoverable from the Masters / Owners or Agents of the vessel at actuals.

(b). Attendance and Detention fees for pilot in case of cancellation of movement of the vessel inside the Port limits:

	Coastal Vessel	Foreign-going vessel
When the movement of the vessel is cancelled after the boarding of the pilot on the vessel due to ship's fault and if the vessel does not move from its anchoring/berthing point.	` 6150/- per act	US $ 235.52 per act

2.6. Charges for Fire Float Vessels, Anchor Hoy Salvage Vessel, Water Boat and any other suitably equipped craft except a Tug within Port limits:

Sl. No.	Job Description		Charges per hour or part thereof	
			Coastal vessel (`)	Foreign-going Vessel (US $)
(a).	For examining, lifting, laying or re-laying moorings or buoys or recovering anchors or cables or any miscellaneous work		2558.67	93.5194
(b).	For attending a vessel on fire or otherwise, in Stream or at Jawahar Dweep and Pir Pau by			
	(i).	Fire Float Vessel	614.08	22.4445
	(ii).	Any other craft	As may be fixed from time to time by the Chairman	
(c).	For Salvage Services		3044.83	111.2879

Note: Charges for attendance by Fire Float vessel or any other craft for a vessel on fire will be payable only if the vessel on fire requisitions services of additional Fire Float or any other craft.

2.7. Charges for hire of Launches and Tank Barges

Sl. No.		Rate per hour or part thereof	
		Coastal vessel (in `)	Foreign-going vessel (in US $)
(a).	Launches	383.80	14.0279
(b).	Tank Barges for discharge of ballast water containing oil in terms of Clause 53 of Mumbai Port Rules	45.83	1.6755

CONDITIONS:

(1). Requisition in writing for Tank Barge must be submitted not less than 12 hours before the time at which the Tank Barge is required.

(2). All oil contained in the ballast water will become the absolute property of the Mumbai Port Trust.

(3). Hire charges for one day will be levied, if the barge is requisitioned and not utilized.

2.8. MBPT Fire Service Stand By Charges

Sl. No.		For first 8-hours or part thereof	
		Coastal vessel (in `)	Foreign-going Vessel (in US $)
(a).	For hire of Trailer Pump and/or Ballast Pump	1228.15	44.888
(b).	For attendance of staff-		
	Fire Officer or Section Leader-in-charge	614.10	22.445
	Motor Driver/Pump Operator each	486.15	17.769
	Sub-Section Leader each	486.15	17.769
	Fireman each	383.80	14.028

Notes:

(1). 12.5 per cent of the above charges will be levied for each subsequent hour or part thereof.

(2). The chargeable period will be counted from the time of placement of equipment and personnel till the time the withdrawal of equipment and personnel in case of container operation.

(3). In case of more than one operation in a calendar day the charge will be levied considering all the operations on continual basis taking into account total number of actual working hours in each operation.

(4). However if the commencement of the second operation starts in next calendar day, it will be considered as fresh operation for the purpose of charging.

(5). These charges are payable only when the services are requisitioned by the user.

2.9. Diver's Fees:

For work within Port Limits on any day

Particulars	Fees	
	Coastal vessel (in `)	Foreign-going Vessel (in US $)
Charges for a shift of four hours or part thereof of a normal diving team inclusive of hire charges of diving equipment.	12179.43	445.152

Notes:

(1). The diving period for the purpose of billing shall be calculated from the time the team leaves the base in Indira Dock / P&V Docks till it returns to the base.

(2). Normal diving team consists of:

Category		No. of employees
(i).	Jr. Foreman Diver	1
(ii).	Asstt.Foreman Diver/Diver Gr.I	2
(iii).	Sarang	1
(iv).	Tindal	1
(v).	Linesman	2
(vi).	Lascar	12

(3). If an extra Diver is employed an additional charge of `486.15 / US $ 17.769 per employee for a shift of four hours or part thereof shall be charged for coastal / foreign-going vessels, respectively.

(4). Equipment used for normal diving operation

(i).	Diving boat	1 No.
(ii).	Diving dresses	2 Nos.
(iii).	Diving helmets	2 Nos.
(iv).	Diving Pumps	2 Nos.
(v).	Air Hose	300 R. Ft.

(5). For deployment of additional employee plant and gear, additional charges will be recovered. Towing and crane charges shall also be charged separately.

2.10. Salvage Fees on articles salvaged within the limits of Port:

(a). Where no risk of life is involved in salvaging, a charge of 15 per cent on the value of the articles in addition to the actual cost of salvage of articles shall be payable.

(b). Where risk of life is involved a charge of 30 per cent on the value of articles in addition to the actual cost of salvage of the articles shall be payable.

(c). Customs Duty and Municipal Octroi must be paid by the owners or purchasers of salvaged articles.

2.11. Examination and Licence Fees

I. Examination and Licence Fees for Special Pilots / Licenced Master of Coastal Vessels, Barges, tugs etc.

Sl. No.	Particulars	Fees (in `)
(1).	Examination Fee	187.10
(2).	Licence Fee / Renewal Fee / Issue of Duplicate Licence	37.45

II. Licence Fees for water conveyance for harbour crafts

Sl. No.	Particulars	Rate per GRT per month (in `)
(1).	Catamarans, Hovercraft, Tugs and Speed-Boats	39.85
(2).	Boats, Craft, Barges, Tugs and launches plying from the Ballard Pier Jetty	33.20
(3).	Barges and Tugs engaged in loading/discharging of cargo in mid-stream and plying beyond the limits of Port of Mumbai for conveyance of cargo	39.85
(4).	Boats, Barges, Launches, Tugs and Craft (except Fishing Trawlers/Boats) other than those mentioned above	33.20

<u>Notes:</u>

(1). These charges will be recoverable from the vessels / ships / barges maneuvering piloted with their licensed Master (Pass pilots) but will not be recoverable from craft or launches belonging to Customs, Indian Navy, Coast Guard, Central or any provincial Government and Surveyors.

(2). Licence fee for water conveyance shall not be levied separately on vessels which are registered under the bunders and paying licence fee under Section 6.1 at Chapter-VI – Charges leviable at Bunders.

III. <u>Miscellaneous charges towards licence fees</u>.

Sl. No.	Particulars	Unit	Rate (`)
(1).	Penalty for delayed renewal		
	(a). Beyond 30 days and upto 60 days	Per license	500/-
	(b). Beyond 60 days to 120 days	Per license	1,000/-
	(c). Beyond 120 days	Per license	1,500/-
(2).	Permission for harbour cruise party	Per cruise.	1000/-

2.12. Hire charges for harbour tugs and dock tugs leviable for miscellaneous jobs.

Sl. No.	Category of Tugs	Hire rate for per hour or part thereof (inclusive of operational cost)	
		Coastal vessel (in `)	Foreign-going Vessel (in US $)
(a).	Harbour Tugs upto 22 BP	6076.95	222.1134
(b).	Harbour Tugs from 23 BP to 32 BP	12153.50	444.2022
(c).	Harbour Tugs from 33 BP to 45 BP	18230.25	666.3062
(d).	Conventional Dock Tugs	1158.70	42.3504
(e).	AM & VS Dock Tugs	1512.45	55.2800

2.13. <u>Charges for carrying out Bollard Pull Test</u>

	Coastal vessel (in `)	Foreign-going vessel (in US $)
Charges for carrying out Bollard Pull Test	10812.60	395.20

<u>Note:</u>
Applicable charges specified in Section 2.1(A) and Section 2.1 (B) for the movement of vessels will be levied separately.

2.14. <u>Charges for Garbage Reception facility</u>

Charges for garbage reception facility during vessel's stay at Jawahar Dweep & Pir Pau	`1245.38 per day or part thereof

2.15 Schedule of Anchorage Fees

(A) If any vessel or self propelled barge except Lash Barge or Dumb Barge remains at any anchorage points shown in column No.2 of the table below, anchorage fees shall be levied as per column 3 ibid.

Sr. No.	Anchorage Point	Rates per GRT per hour or part thereof		
		Period of stay	**Coastal/Inland Vessel (in `)**	**Foreign going vessel**
1	2	3		
(a)	A,B,C,D,E,F,G, TA1,TA2, New explosive Karanja.	From 1st day upto 30th day	0.5534 paisa	0.0544 US Cent
		Beyond 30th day	1.1069 Paisa	0.1102 US Cent
(b)	H,I,J,K,V,W,X,Y,Z,	From 1st day onwards	0.5534 Paisa	0.0544 US Cent
(c)	L, M, (N1, N2, N3 at New Pir Pau), N1 (Buoy), N2 (Buoy), North N3, O, P, Q, R L/F OFF DARUKHANA OFF COAL BUNDER OFF HAY BUNDER OFF KASARA BASIN OFF FERRY WHARF OFF MAZGAO AND P&V CHANNEL	From 1st day upto 30th day	0.2766 Paisa	0.0266 US Cent
		Beyond 30th day	0.5534 Paisa	0.0544 US Cent
(d)	Port Lighterage Anchorage Area	From 1st day upto 30th day	0.4150 Paisa	0.0405 US Cent
		Beyond 30th day	0.8301 Paisa	0.0823 US Cent

Note: Port Lighterage Anchorage area encompasses the following co-ordinates:

Point A – Latitude	18˚57' N	Longitude	72˚41'E
Point B – Latitude	18˚55'N	Longitude	72˚41'E
Point C – Latitude	18˚55'N	Longitude	72˚43.5'E
Point D – Latitude	18˚57'N	Longitude	72˚43.5'E

(B). If any Lash Barge or Dumb Barge remains at any of the anchorage points mentioned in column No.1 of table below, anchorage fees shall be levied as per column No.2 ibid.

Anchorage Point	Rates per GRT per hour or part thereof		
	Period of stay	**Coastal/Inland Vessel (in `)**	**Foreign going vessel**
1	2		
OFF DARUKHANA OFF COAL BUNDER OFF HAY BUNDER OFF KASARA BASIN OFF FERRY WHARF OFF MAZGAO AND P&V CHANNEL	From 1st day upto 60th day Beyond 60th day	0.1106 Paisa 0.2213 Paisa	0.0138 US Cent 0.0275 US Cent

(C). Every Vessel, Boat, Barge and craft irrespective of the size or the GRT, engaged in Lighterage operations in midstream and in Port Lighterage Anchorage Area for conveyance of cargo to the Ports other than Mumbai Port shall during the period of their not working cargo be charged anchorage fees as per section 2.15 (A) above depending on the place of anchorage. This differential tariff will not apply to barges coming into the Mumbai Port

Notes:-

For the purpose of calculating the period of stay of a vessel at an anchorage:

(1) the anchorage fees shall be levied from the time a vessel drops the anchor till the time it leaves the anchorage berth;

(2) in the event of a vessel which had stayed at an anchorage taking berth or entering a dry dock and returning thereafter either to the same anchorage or to another anchorage, the number of hours the vessel was away from the anchorage will be excluded, but the period of occupation except for such exclusion will be treated as a continuous period for computing the Anchorage Fees;

(3) for levy of anchorage fees, a barge is a craft operating within the limits of Mumbai Port (including extended port limit) for the purpose of lighterage of cargo or supply of fuel, water and provisions but shall not include lash or any other type of barges/boats discharged or loaded by mother ships outside the limit of Mumbai Port (including extended port limit) for all purposes of conveyance of cargoes;

(4) No anchorage fees will be recoverable from the vessel, boat, barge and craft (including lash barge) which has paid the licence fees for water conveyance as per Section 2.11 above;

(5) No anchorage fees will be charged to the vessel classified as Indian Naval Vessels and Coast Guard Vessels.

2.16. PORT DUES

Sl. No.	Vessels chargeable	Rate of per GRT		Due how often chargeable in respect of same vessels
		Coastal (in `)	Foreign - going (in US $)	
1.	Vessels of 3000 tons and upwards (except fishing boats)	7.1057	0.2596	The due is payable on each entry into the port.
2	Vessels of Ten tons and upwards but less than 3000 tons (except fishing boats)	5.016	0.1833	The due is payable on each entry into the port.
3.	Tugs, boats, ferry boats and river boats, whether propelled by steam or other mechanical means arriving from ports outside India	5.016	0.1833	Once between the 1st January and 30th June and once between 1st July and 31st December in each year
4.	Inland vessels operating within port limits	5.016	0.1833	The due is payable once in the same month

Notes:

1. Port Dues of a vessel will be assessed on her total GRT at the rate shown against the relevant vessel group according to GRT of that vessel.

2. For oil tankers with segregated ballast the reduced Gross Tonnage that is indicated in 'Remarks' column of its International Tonnage Certificate will be taken as its Gross Tonnage for the purpose of levying Port dues and not for other tonnage based fees.

3. No Port Dues shall be chargeable in respect of:

   (i). Pleasure Yacht
   (ii). Naval vessels and Government vessels
   (iii). Any vessel which having left the port is compelled to re-enter by stress of weather or in consequence of having sustained any damage, either with or without stress of weather.
   (iv). A LASH vessel making a 'second call' to pick up empty and / or laden fleeting LASH barges shall be treated as a vessel entering the port but not discharging or taking any cargo or passengers therein as described in Section 50 B of the Major Port Trusts Act

4. Port Dues shall be levied at 32% of the rates specified at Section 2.16 above in the following case:

   A vessel which enters the Port but does not discharge or take in any cargo or passenger (with the exception of such unshipment and re-shipment of cargoes as may be necessary for purpose of repairs)

5. Port Dues shall be levied at 50% of the above rates in the following cases:

   (i) Telegraph vessels

   (ii) A vessel entering the port in ballast and not carrying passengers but sailing from the Port without taking any passenger or cargo

   (iii) A vessel entering the port in ballast and not carrying passengers for the purpose of repairs, dry docking, taking in bunkers, provision of water or for change of crew or for discharging any sick member of the crew and sailing from the port without taking in any passenger or cargo

6. Port Dues shall be levied at 75% of the above rates in the following cases:

   (i) A vessel entering the port in ballast and not carrying passengers but taking in any cargo or passengers at the port
   (ii) A vessel in distress with no cargo on board brought into harbour in tow

7. A vessel in distress with cargo on board brought into harbour in tow shall be charged full Port Dues

8. The vessels visiting JNPT, if for any reasons the same vessels visit MBPT, 68% of the Port Dues recoverable as per Section 2.16 above shall be levied. However, vessels plying exclusively between MBPT and JNPT for carriage of cargo shall be levied full Port Dues as per Section 2.16 above. Vessels paying full port dues at the MBPT need not pay 32% of the MBPT port dues at the JNPT.

9. No port dues shall be levied on the vessels re-entering the port after being forced to go out of the port limits before completing its discharge / loading, when naval exercise is undertaken.

2.17. **<u>Composite Berth Hire Charges</u>**

Berth hire charges on vessels, boats and barges berthed at Indira Dock and its Harbour Wall, including Ballard Pier and Ballard Pier Extension, Prince's & Victoria Docks and its harbour walls:

Sl. No.	Vessels berthed at	Rate per GRT for per hour or part thereof	
		Coastal Vessel (in `)	Foreign-going vessel (in US $)
1.	Indira Dock & its Harbour Walls, Ballard Pier and Ballard Pier Extension	0.146	0.0092
2.	Prince's & Victoria Docks and its harbour walls	0.113	0.0073

<u>Notes:</u>

1. For the purpose of levy of the above charges

   (i). The minimum GRT for any vessel except off shore supply vessels will be taken as 1000 and

   (ii) The term 'vessel' will include the boats, barges and craft of GRT of 1000 and above.

   (iii). Coastal vessels shall include vessels of Coast Guard / Indian Navy.

2. (i). The berth hire shall be leviable from the time a vessel takes the berth till the time it leaves the berth.

   (ii). There shall be a time limit beyond which berth hire shall not apply, berth hire shall stop 4 hours after the time of vessel signaling its readiness to sail.

   (iii). There shall be a 'penal berth hire' equal to one day's berth hire charges for a false signal.

   (iv). The Master / Agents of the vessel shall signal readiness to sail only in accordance with favourable tidal and weather conditions.

   (v). The time limit of 4 hours prescribed for cessation of berth hire shall exclude the ship's waiting period for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

3. Sundays and Port non-working days will be treated as normal working days for levy of the above charges and no separate charge will be levied.

4. Every boat and country craft of less than 1000 GRT and pleasure yacht and a lash barge entering the Docks shall be levied berth hire charges of `6.663 / US $ 0.5380 per hour or part thereof for the first 200 GRT or part thereof and `3.329 / US $ 0.2690 per hour or part thereof for every additional 100 GRT or part thereof in respect of coastal / foreign-going vessels respectively. This concessional rate will be admissible to local craft, boats and barges except off shore supply vessels whether self propelled or not and plying in foreign and coastal trade. The concessional rates shall also be admissible to lash barges and pleasure yacht

irrespective of their tonnage. Each barge will be separately charged berth hire charges treating each as a distinct vessel. However, when the barges make use of wharf crane, the composite berth hire charges as prescribed at Note 1 above shall be levied.

5. Off shore supply vessels falling in the category of coastal vessels berthed at any berth in Docks or Harbour Wall shall be levied with `0.3507 per GRT per hour or part thereof. Off-shore vessel will not be subjected to the conditionality of levy of the minimum charges of 1000 GRT. All the off shore supply vessels will be subjected to this rate irrespective of the GRT of the vessels and will not be entitled for concessional levy as at Note 4 above.

6. All vessels berthing at berths at Sr. Nos. (1) and (2) above for other than cargo operations, the berth hire charges shall be recovered as under :

   (i). Upto 10 days of occupation of berth: Normal berth hire charges.

   (ii). From 11th day to 20th day of occupation of berth: 150% of normal berth hire charges.

   (iii). After 21st day of occupation of berth: 200% of normal berth hire charges

7. No berth hire shall be levied for the period when the vessels idle at its berth due to breakdown of port equipment or power failure or any other reasons attributable to the port.

8. Priority / Ousting Priority Charges in addition to Normal Berth Hire Charges as stated below or as and when changed by the Govt. or appropriate authority will be applicable:

   (a). For providing the “priority berthing” to any vessel, a fee equivalent to berth hire charges for a single day or 75 percent of the berth hire charges calculated for the total period of actual stay at the berth, whichever is higher shall be levied.

   (b). For providing the “ousting priority” to any vessel, a fee equivalent to berth hire charges for a single day or 100 per cent of the berth hire charges calculated for the total period of actual stay at the Berth whichever is higher shall be levied. In addition, for providing “Ousting priority” to any vessel, the charges for ‘shifting in’ and ‘shifting out’ of the vessels shall be collected.

   (c). The fee for according priority / ousting priority as indicated above shall be charged for all the vessels except the following categories:

      (i). Vessels carrying cargo on account of Ministry of Defence.

      (ii). Defence vessels coming on goodwill visits.

      (iii). Vessels hired for the purpose of Antartica expedition by Department of Ocean Development.

      (iv). Any other vessel for which special exemption has been granted by the Ministry of Shipping.

2.18. Charges for providing On Board Stevedoring Services payable by the Indenters/ Vessel Agents/Vessel Owners/Container Operators

Sr. No.	Commodity/Activity	Basis of Charges	Stevedoring rate (without gear) (in `)		Ceiling Rate for supply of gear by the port (in `)
(1)	(2)	(3)	(4)		(5)
			Foreign	Coastal	
1.	Steel Coil, Steel Plates (including hot rolled ship building plates, ship building / bodies steel quality plates, steel bull hull flat bars / steel shoe sections prime flat rolled ship builder plates), Pipes (including seamless tubulars, DIL well drilling equipment pipes, steel welded tubulars) and Angles & other steel products, Billets	Per tonne	87.15	52.30	16.90
2.	Bagged Cargo	Per tonne	143.35	86.00	16.90
3.	Wooden Logs	Per tonne	165.50	99.30	16.90
4.	General Cargo	Per tonne	182.60	109.55	16.90
5.	Oil Cake in Bulk ,Dry Bulk & others	Per tonne	146.75	88.05	28.00
6.	Machinery/Project Cargo	Per tonne	225.20	135.10	16.90
7	Vehicle				
	(a). Vehicles including bull dozers, forklifts, tractors, cranes and Military Tanks less than 10 tonnes by RORO operation.	Per vehicle per operation	59.75	35.85	--
	(b). Vehicles including bull dozers, forklifts, tractors, cranes and Military Tanks more than 10 tonnes by RORO operation.	-- do --	426.60	255.95	--
	(c). All other vehicles including bull dozers, forklifts, tractors, cranes and Military Tanks by LOLO operation.	-- do --	426.60	255.95	--
8.	Wood Pulp	Per tonne	122.85	73.70	--
9	Metal scrap				
	Manual Handling – without gear	Per tonne	316.00	189.60	13.00
	Mechanical Handling	Per tonne	187.00	112.20	46.00
10.	CONTAINER				
a).	Stuffing	Per TEU	4276.75	2566.05	19.50 per box
b).	De-stuffing	Per TEU	2632.75	1579.65	19.50 per box
11.	On-board stevedoring using Ship's crane	Per Box	951.55	570.95	71.50
12.	On-board stevedoring using Port Gantry crane	Per Box	575.25	345.15	---
13.	Containers brought by barges	Per Box	426.60	426.60	71.50
14.	Cargo brought by coastal barges	Per tonne	25.60	25.60	16.90
15.	Cargo handled in stream	20% more than the applicable rates for cargo handled at docks			
16.	Zinc ingots	Per tonne	131.35	78.80	16.90

Notes:

(i) A vessel agent may bring his own gear for loading/unloading, stuffing and destuffing operations. In case the port supplies gear for loading/unloading, stuffing and destuffing operations, then the rate as prescribed in column number (5) above shall be leviable as a ceiling rate.

(ii) Lashing and unlashing containers on board the vessel shall be the responsibility of the vessel agents. If lashing and unlashing service is provided by the port `39/-, `58.50 and `78/- extra per 20' unit, 40' unit and above 40' unit respectively shall be leviable.

(iii) Lashing and unlashing of steel cargo is the responsibility of the shipping agents. The rates do not include lashing and unlashing charges and no rebate is, therefore, allowed for lashing and unlashing of steel cargo.

2.19. <u>Charges for use of the Dry Docks</u>

I. <u>Charges for Docking and Undocking:</u>

	Foreign Going Vessels (in US $)	**Coastal Vessels (in `)**
Upto 1000 GRT	4858.50	1,02,244/-
1001 to 2000 GRT	6308.25	1,25,614/-
2001 to 3000 GRT	7481.50	1,48,984/-
3001 to 4000 GRT	8654.75	1,72,354/-
4001 to 5000 GRT	9828.00	1,95,724/-
Above 5000 GRT	US $ 9828.00 + US $ 1110.10 for every additional 1000 GRT or part thereof	`1,95,724/- + `23,370/- for every additional 1000 GRT or part thereof

II. <u>Rental charges for occupation of the Dry Dock:</u>

(i) During first 10 days of occupation for vessels –

Vessels	**Foreign Going Vessels**	**Coastal Vessels**
	US $	**`**
	(Rate per day or part thereof)	
Upto 1000 GRT	1665.11	35,055/-
1001 to 2000 GRT	1806.56	37,976/-
2001 to 3000 GRT	1943.40	40,898/-
3001 to 4000 GRT	2220.15	46,740/-
4001 to 5000 GRT	2498.44	52,583/-
5001 to 10000 GRT	2775.19	58,425/-
10001 to 20000 GRT	3053.48	64,268/-
20001 GRT & above	3470.14	73,031/-

(ii) from 11^{th} day to 20^{th} day of occupation – 150 per cent of rates as at (i) above per day or part thereof.

(iii) from 21^{st} day to 30^{th} day of occupation – 200 per cent of rates as at (i) above per day or part thereof.

(iv) Beyond 30 days of occupation – 250 per cent of the rates as at (i) above per day or part thereof.

(v) In case the vessel occupies the dry dock beyond the period for which the dry dock has been allotted, the rental charges for the period of overstayal shall be charged at double the rate prescribed above.

Notes:

(1) The above charges will include the charges for services such as one time draining/flooding of Dry Dock, Divers' services, cranage, removal and replacement of damaged keel blocks, other ship repair facilities, etc. No additional charges will be levied for any services in connection with docking/undocking except shore power supply and fresh water supply to vessels and for laying/removal of special keel blocks.

(2) In the case of vessels requiring laying of special keel blocks due to their configuration, extra rental charges at the rate prescribed under II (i) above will be recovered for the period required for laying and removal of such special keel blocks. The rental charges for occupation of dry docks as above will be recoverable as per the period groups applicable.

(3) Vessel will pay for the shore power supplied to it at the rates prescribed from time to time on actual consumption.

(4) If the vessel has requisitioned for a dry dock but it is not ready to dock at the time specified according to the docking programme, no charges shall be leviable provided an intimation of cancellation/postponement of dry docking is given 2 days (excluding the day of docking) in advance of the specified time of docking. A cancellation fee of `3100/US $ 200 will be recovered in such cases in respect of coastal vessels and foreign-going vessels respectively.

(5) In case, the docking is likely to be delayed and an intimation is given in advance by less than two days (excluding the schedule day of docking) for reasons other than those within the control of the vessel, normal charges will be recovered after the vessel has dry docked. For the days the dry dock or its compartment remains unoccupied, rental charges will be recovered at the rate applicable during the first 10 days of occupation. In other cases, rental charges will be recovered at 250 per cent of the rate applicable during the first 10 days of occupation.

(6) When two or more vessels are docked together in Merewether Dry Dock or the entire length of Hughes Dry Dock or in either of the compartments of the Hughes Dry Dock (with or without placing caisson positioned between them) the above charges will be payable by each vessel separately.

(7) Wet Dock dues will not be levied in the case of vessels entering and leaving the Wet Dock for the sole purpose of occupying the Dry Docks, provided :

  (i) Such vessels occupy the Dry Dock;

  (ii) Aggregate period of stay in Wet Docks does not exceed 24 hours plus odd hours occasioned by tidal delays and Dock Master's programme of docking/undocking; and

  (iii) No work, i.e. discharge or shipment of cargo, bunkering or repairs, is performed on board or over the side of such vessel during the stay in the Wet Docks.

(8) Sundays and Customs notified holidays and port non-working days during the occupation of Dry Dock by a vessel shall be treated as working days and charged accordingly.

(9) No separate charge will be levied for docking/undocking on Sundays and Customs notified holidays and port non-working days.

(10) When two or more vessels are docked together in the Merewether Dry Dock or in the entire length of Hughes Dry Dock or in either of the compartments of Hughes Dry Dock without the caisson being placed in position between them and if for any reason one of the vessels is not ready to undock on expiry of the period for which she was regulated and thereby causes detention to the other vessel or vessels dry docked simultaneously, the vessel/s causing detention to other vessel/s (detaining vessel) shall pay detention charges at double the charges recoverable under clause II above on her tonnage as well as tonnages of the other vessel/s detained.

(11) Services/Supplies required for repairs to the vessels in the Dry Dock, requisitioned by ship repair firm licensed by the Chief Mechl. Engineer shall submit their requisitions duly endorsed by the Master/Agent of the vessel. The cases in which endorsement of the Master/Vessel Agent cannot be obtained immediately, the Superintendent of Dry Dock may at his discretion provide services/supplies requisitioned, the endorsement of Master/Vessel Agent will have to be obtained subsequently.

(12) The Board accept no responsibility whatsoever for any detention to vessels using their Dry Docks.

(13) The period of occupation of a vessel shall commence from the time the entrance caisson is placed in position after the vessel has entered. The period of occupation ends when the vessel has cleared the Dry Dock entrance. A day means period of 24 hours counted from the time the entrance caisson is placed in position after the vessel has entered.

(14) For second time draining/flooding of Dry Dock for the same vessel, 50% of charges as per Section 2.19 (I) above will be levied.

2.20 Charges for supply of chipping and painting workers

`819/- per labour per shift plus overtime wages at actuals

2.21. Charges against Government in respect of Vessels of War and Transport

Charges against the Union Government in respect of vessels of War and vessels engaged solely for the transport of troops, their families, etc. berthed at the Ballard Pier or Indira Dock Harbour Wall or inside the Docks:

(a)	Vessels of War, that is to say all vessels plying the White Ensign of Republic of India but including in times of war mine sweepers and patrol vessels.	All Port and Dock charges whether for general facilities or for “Special Services” except (i) Port Dues (ii) Wharfage on stores and equipment required for the vessel’s own consumption.	
(b)	Vessels employed solely in the transport of troops and their families, military animals,military equipment, ammunition of war and	(i)	All Port and Dock charges except – (a) Port Dues. (b) Wharfage charges on horses (other than remounts), Baggage, carriages and

	naval and military stores, including Indian Fleet, Auxiliaries which are on the list of Indian Navy and all Hospital ships and Ambulance Transport	 (ii)	other effects forming part of the scheduled equipments of the troops. Compensation under Section 6 of the Indian Tolls (Army) Act, II of 1901 at the rate of 15.37 paise per tonne of Gross Registered Tonnage of the vessel for each day that Dock Dues are charged under Section III of the Docks Scale of Rates and the vessels are engaged in bonafide transport operations.

Note: Wharfage charges shall mean fees levied for the passing of goods or animals, etc. imported or exported by any vessel, boat or lighter over any wharf, jetty, pier or bunder within Port Trust areas, but shall not mean charges for services rendered by the Port Trust in landing and shipping, removing or storing such goods, animals, etc. such as the provision of cranes, cluster lights and for handling labour.

2.22. <u>Pier Dues at Jawahar Dweep and Pir Pau</u>

Sl. No.	Vessel Chargeable	Rate per GRT for per hour or part thereof	
		Coastal Vessel (in `)	**Foreign-going vessel (in US $)**
(i)	On every steam and other mechanically propelled and square rigged vessels berthed at or using the bulk oil piers at Jawahar Dweep and Pir Pau	`0.459 Subject to minimum charge of `459)	US $ 0.0166 (Subject to minimum charge of US $ 16.66)
(ii)	On every boat, barge or country craft (not square rigged)	**Rate per hour or part thereof**	
		`9.186	US $ 0. 332

Notes:

(1) The Pier Dues shall be levied from the time a vessel takes the Berth/Pier till the time it leaves the Berth/Pier.

(2) No Pier Dues shall be levied on vessels after expiry of 4 hours from the time of signaling its readiness to sail. Penal Pier Dues equal to one day's Pier Dues (i.e. 24 hours) shall be levied for false signal. The Master/Agents of the vessel shall signal readiness to sail only in accordance with favorable tidal and weather conditions. The time limit of 4 hours prescribed for cessation of Pier Dues shall exclude the ship's waiting period for want of favourable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.

(3) No Pier Dues shall be levied for the period when the vessels idle at its Berth/Pier due to breakdown of port equipment or power failure or any other reasons attributable to the port.

(4) Sundays and Customs notified holidays and port non-working days will be treated as normal working days for levy of the above charges and no separate charge will be levied.

CHAPTER – III

CARGO RELATED CHARGES

The charges as herein after prescribed will be leviable on all traffic dealt within the relevant areas specified in Appendix ‘G’ to the MBPT Dock Bye-Laws.

3.1. (A) Schedule of docks wharfage on goods

Rate No.	Description of Goods.	Basis of Charge	Foreign (`)	Coastal (`)
1. (i)	Animals, Birds, reptiles, etc.	Each	37.35	22.40
(ii)	Animal products - Bone, Bonemeal, Hides & Skins	Tonne	26.20	15.70
2.	Arms, Ammunitions, Explosives and Defence Stores.	Tonne	173.80	104.30
3. (i)	Asbestos	Tonne	44.85	26.90
(ii)	Construction Materials, Sand.	Tonne	44.85	26.90
(iii)	Fruits, nuts including Raw Cashew, Tapioca, Coconut, Copra, Tamarind Seeds.	Tonne	44.85	26.90
(iv)	Molasses	Tonne	44.85	26.90
(v)	Waste Paper, Newsprint	Tonne	44.85	26.90
(vi)	Wood, Timber, Bamboo	Tonne	44.85	26.90
4. (i)	Cement, Clinker	Tonne	44.85	26.90
(ii)	Coal and Fire Wood	Tonne	62.40	62.40
(iii)	Sulphur ,Fertilisers and Fertiliser raw materials	Tonne	56.10	33.65
(iv)	Foodgrains, Oilseeds, Cereals and Pulses.	Tonne	44.85	26.90
(v)	Oil-Cakes and Fodder	Tonne	20.95	12.55
(vi)	Sugar	Tonne	20.95	12.55
5. (i)	Cotton including cotton waste (also includes cotton twist and yarn)	Tonne	44.85	26.90
(ii)	Jute and jute products, Coir and coir products.	Tonne	26.20	15.70
6. (i)	Granites and Marbles	Tonne	44.85	26.90
(ii)	Ores, Ore Pellets and Minerals	Tonne	44.85	26.90
7.	Metals (Ferrous, Non-ferrous) in the form of ingots billets and un-manufactured and metal scrap.	Tonne	44.85	26.90
8.	Other Liquid bulk including acids and fatty acids	Tonne	44.85	26.91
9.	POL and POL Products :			
(i)	Crude Oil	Tonne	47.50	47.50
(ii)	Kerosene and Light Diesel Oil.	Tonne	31.25	31.25
(iii)	All other POL Products	Tonne	55.00	55.00
10.	Salt	Tonne	5.65	3.40
11.	Synthetic Resin (including Moulding Powder) and Wood Pulp	Tonne	104.65	62.80
12.	Wines, Spirits (Potable) and Alcoholic beverages	Five litres	26.20	15.70
13.	Iron and Steel Materials (excluding scrap, dross and ores) Import Export	 Tonne Tonne	 156.00 104.00	 93.60 62.40
14.	Motor vehicles and Cars Including bull dozers, forklifts, tractors, cranes and Military Tanks Import Export	Ad-valorem	 0.39% 0.39%	 0.23% 0.23%
15.	All items other than those specified above.	Ad-valorem	0.36 %	0.22 %
16.	Sweepings collected on shore, Ballast of the vessel, engineering materials, stores and gears for repairs to ships in docks, *Seamen’s baggage consisting of their personal effects, mails, post parcels and diplomatic bags irrespective of the weight per parcel, bag etc	FREE		

* Although Seamen's baggage consisting of their personal effects will not attract wharfage, articles not regarded as bonafide baggage such as arms, ammunition, pearls, precious stones, pianos, pianolas, carriage, motor cars, motor cycles, etc., will be subject to the levy of wharfage.

Note: 50% of the normal wharfage will be applicable for Bunkers.

GENERAL NOTES TO SECTION 3.1 (A):

1. Wharfage leviable on ad-valorem basis in the foregoing schedule will be levied on the CIF value of goods in the case of imports and FOB value of goods in the case of exports and on value specified in the bill of coastal goods in the case of coastal cargo. Wharfage leviable on weight basis in the foregoing schedule will be assessed on gross weight of the goods as shown in the Bill of Lading, Manifest or Invoices.

2. For the assessment of wharfage on import or export goods, the importer or the exporter or their clearing agent, as the case may be, shall produce copy/copies of the invoices/specification attested by Customs together with the Customs documents such as Bill of entry/Shipping Bill/ Transhipment Permit as required under Docks Bye-Law No.96 shall be produced for the purpose of assessment and verification of charges. For any misdeclaration of weight, quantity, value or description of goods, the importer/exporter or his clearing agent, as the case may be, will be liable for action under Section 115 of the Major Port Trusts Act, 1963.

3. All goods which have been charged full Docks Wharfage in case of import operation will, if loaded into boats in the Docks by Port Trust labour and afterwards relanded at a Port Trust Bunder, be charged, instead of wharfage for export operation, labour charges only as prescribed elsewhere in this Scale of Rates.

4. Wharfage as applicable to transshipment cargo as provided in Note 6 (b) below shall be recoverable in case of cargo discharged from one hatch of a vessel and reshipped in another for trimming or re-arranging the vessel's cargo either by lighters from overside or over the Docks wharves.

5. Dangerous, explosive and inflammable goods landed at the Docks contrary to the Docks Bye-Laws and/or the circulars issued by the MBPT must be immediately removed by the Masters/Owners/Agents of the vessel to the Board's warehouses earmarked for such goods, failing which they shall be removed by the MBPT at their risk and cost and, in addition, a charge of `935/- per package for foreign cargo and `560/- per package for coastal cargo will be levied.

6. a). Transhipment cargo, if discharged and re-loaded on to the same vessel/ another vessel, single wharfage shall be leviable for both movements and demurrage on expiration of the free period of three days as admissible to import cargo will be levied as per the demurrage schedule prescribed at sub-section 3.1. (B) below.

   b). Cargo where advalorem rates are specified and not destined for MBPT, wharfage @ `169/- per tonne in case of transshipment by sea and `72/- per tone in case of transshipment by road and demurrage on expiration of the free period of three days as admissible to import cargo as per the demurrage schedule prescribed at sub-section 3.1. (B) below shall be levied.

7. Damaged Goods:

Cargo landed from vessels loading in Docks owing to fire or other accidental cause and re-shipped or from vessels returned to Port by reason of the same cause or stress of weather will be charged one wharfage prescribed in the above Schedule.

8. In respect of Iron and Steel materials, shifting of cargo from the wharf (hook point) to the storage point will not be undertaken by the Mumbai Port Trust.

9. The Port shall provide the following minimum additional facilities to the export of motor vehicles on common user basis:

(i). Use of MBPT private road without payment of permit charges
(ii). Unloading ramp for motor vehicles received by rail for export free of cost.
(iii). Pre-shipment storage facilities inside the docks free of demurrage for 30 days
(iv). Arrangement for supply of water for vehicles for cleaning purposes including permission of recycling plants inside docks.

10. Shippers' own container: For recovery of wharfage on empty SOC unit, tare weight of 20' container will be considered as 2.3 MT; 40' container as 4.0 MT and 45' container as 4.5 MT. Demurrage as applicable will be recovered under Sub Section 3.1 (B) below.

11. Before classifying any cargo under unspecified category in the wharfage schedule, the relevant Customs classification shall be referred to find out whether the cargo can be classified under any of the specific categories mentioned in the wharfage schedule.

12. Re-export cargo: For the re-export cargo, import wharfage will be recovered and demurrage shall be recovered till the date of shipment/stuffing and thereafter export wharfage will be recovered.

3.1. (B) <u>Demurrage</u>:

On expiration of free days, save as hereinafter provided, demurrage will be charged for the period of storage on all goods (except mails, post parcels, diplomatic postal bags and personal baggage irrespective of weight per parcel, bag etc.) remaining uncleared, at the following rates :

Class of goods	**How charged**	**RATE (in `)**		
		For first to 20th day	**For 21st to 40th day**	**From 41st days onwards**
(1)	**(2)**	**(3)**	**(4)**	**(5)**
(a) In respect of all goods classified in the wharfage schedule in Section-3.1(A) above (other than goods specified in (b) below).	Per tonne per day or part thereof	48.75	73.10	97.50
(b) Motor Vehicles Including bull dozers, forklifts, tractors, cranes and Military Tanks (Import).	Per vehicle Per day	520	1300	2600

Note: The personal baggage will be charged at the rate of ` 19.50 per tonne per day or part thereof.

GENERAL NOTES TO SECTION 3.1 (B):

1. All import goods will be allowed storage in the docks free of demurrage for three days from the date following the day of complete discharge of vessel's cargo. All export goods will be allowed storage in the docks free of demurrage for seven days commencing from the date of admission of cargo into the port.

2. In case of containers handled by ICTPL at its Terminal and subsequently moved to MBPT CFS for delivery either as loaded container or for destuffing of the container and delivery of the cargo, as the case may be, the free period will be counted from the date of entry of containers at the MBPT CFS for the purpose of levy of demurrage charges on the cargo inside the containers.

3. For the purpose of calculation of free days Sundays, Customs notified holidays and port non working days will be excluded.

4. Free period of 10 days will be allowed for salvaged goods and the free period will be counted from the date on which goods are actually salvaged.

5. In order to promote export aggregation certain specified area will be identified from time to time for specified cargo. A maximum of 30 free days will be allowed in such cases.

6. Demurrage charge on both cargo and container shall not accrue for the period when the port is not in a position to deliver cargo/container when requested by the users.

7. DEMURRAGE ON GOODS DETAINED BY THE CUSTOMS

   (a) Periods during which the goods are detained by the Commissioner of Customs for the purpose of special examination involving analytical or technical test other than the ordinary process of appraisement and certified by the Commissioner of Customs to be not attributable to any fault or negligence on the part of the importers ; and

   (b) Where goods are detained by the Commissioner of customs on account of Import Control formalities and certified by the Commissioner of Customs to be not attributable to any fault or negligence on the part of the Importer, for such period of detention under (a) and (b), the demurrage charges shall be recovered as under:

First 30 days of detention	: 20% of the applicable demurrage
31st day to 60 days of detention	: 50% of the applicable demurrage
61st day onwards of detention	: 100% of the applicable demurrage

8. Demurrage charges will be assessed on the gross weight of the goods. Gross weight if not in exact multiples of 100 kgs will be rounded off to the next higher multiple of 100 kgs. for levy of charges.

9. No wharfage will be charged on shut out cargo. Demurrage as per Section 3.1(B) shall be levied on Shut out cargo from the date of admission of cargo into docks till and including the date of removal. Shut out cargo must be removed by shippers on receipt of three days' notice from the MBPT or its authorised person. In case of non-compliance, the MBPT or its authorised person may remove such goods to a place at the expenses of shippers.

3.1. (C) Uncleared goods

Uncleared goods when sold by the MBPT under section 61 or 62 of the Major Port Trust Act, 1963 a free period of 10 days will be allowed from the date of confirmation of sale by MBPT. On the expiry of 'Free Days' demurrage will be charged at the rate of `162.50 per tonne per day on goods remaining uncleared until delivery is effected.

If, however, the goods or a portion thereof remain uncleared on the premises of the Board beyond 15 days following the date of confirmation of the sale, the sale proceeds of the goods, or if only a portion of the goods remain to be taken delivery of by the purchaser, the proportionate sale proceeds, shall be forfeited and the goods or a portion thereof, as the case may be, resold by the Port Trust. The aforesaid period of 15 days may be extended, at the discretion of the MBPT or its authorised person, in suitable cases, for reasons to be recorded in writing, having due regard to the circumstances of the case or to the quantity and bulk of the goods to be removed by the purchaser.

3.2. Wharfage charges leviable at Jawahar Dweep and Pir Pau

Sr. No.	Description of Goods	Foreign Going Vessel (` per tonne)	Coastal Vessel (` per tonne)
1.	POL and POL Products		
	(i) Crude Oil	52.10	52.10
	(iii) Kerosene and Light Diesel Oil	34.25	34.25
	(iii) All other POL products viz., Naphtha and Solvent, Fluxing and Lubricating, Turpentine and Vapourising Grease, Bitumen, Petroleum Jelly, Motor Gasoline, Motor Spirit, Liquified petroleum Gas *etc.*		
	(a) Handled at the Jawahar Dweep	60.30	60.30
	(b) Handled at the Pir Pau	44.00	44.00
2.	Chemicals viz. Ammonia, EDC, Ethyle, Benzine, Paraxylene, M.E.G., N. Paraffin, Orthoxylene and other liquids in bulk	88.00	52.80
3.	Edible oil handled at Pir Pau	24.00	14.40

3.3. LICENCE (STORAGE) FEES AND WAREHOUSING CHARGES

(A) (I). **Licence Fees for storage / cargo operation with or without installation of facilities, cargo handling equipment by the users for offshore activities**

Period	Rates Applicable
From the date of permission till expiry for	Per sq. mtr. of part thereof per month or part thereof@
a. Open area	`50/-
b. Covered area	`60/-

Note : Installation of facilities/ cargo handling equipment shall be subject to the clearance by MBPT and shall be dismantled and removed within 15 days from the date of issue of notice.

Above Charges are applicable only for storage of offshore material / cargo and shall be valid for 11 months only for a specified place.

(II). **Licence (Storage) Fees on the goods stored in the areas specified by the MBPT for storage of cargo upto a maximum of 60 days**

	Period of Storage	**Rate per sq. mtr. or part thereof per month or part thereof. (in `)**
In sheds	i) First 30 days or part thereof	40
	ii) 31^{st} day to 60^{th} day	80
Open Yards	i) First 30 days or part thereof	30
	ii) 31^{st} day to 60^{th} day	60

Note: The cargoes lying uncleared beyond 60 days shall be subjected to demurrage from the 61^{st} day onwards under Section 3.1 (B) of Chapter-III of the Scale of Rates. For the purpose of levy of demurrage the 61^{st} day of storage of cargo will be treated as day number one.

(III). **Licence fee for management of cargo operation (for occupation other than for cargo storage):**

	Description	**Rate**
(i)	Licence Fee for space allotted to Vessel Agents/Stevedores/CHAs/Transporters/ Port Users including Govt. agencies in the Port Trust building.	`206.25 per sq. mtr. or part thereof per month or part thereof.
(ii)	Licence Fee for open areas permitted to be used for carrying out cargo activities by placing chowkey / porta cabin etc.	`112.50 per sq. mtr. or part thereof per month or part thereof.

<u>Notes to tables II & III</u>:

(i) The MBPT can reject the request or withdraw the permission granted in such cases, the reasons therefor will be communicated to the allottee.

(ii) If the area allotted is found to be utilised for any unauthorised purpose, then, the MBPT will withdraw the permission granted.

(IV). **Licence Fee for commercial establishments like shop, duty free shop, curio shop, cyber café, communication center, forex center, etc.**

Description	**Rate**
Licence fee for space allotted in the Mumbai Port Trust buildings	`360/- per sq. mtr. or part thereof per month or part thereof

Notes:-

a. Period of allotment is for 11 months.

b. Whenever MBPT requires this area, the operator will have to vacate the same at one month's notice and relocate to other area for the remaining licence period.

c. All relevant permissions shall be obtained by the operator.

d. All allotments shall be on tender basis, with premium over the above mentioned rate being the selection criteria.

(V) **Licence fees for storage / warehousing permitted by the MBPT with or without installation of facilities, cargo handling equipment by the users in non custom notified areas**.

Period	Rate Applicable
From the date of permission till expiry	Per sq. mtr. or part thereof per month or part thereof
Open area	`20/-

Note: Installation of facilities/ cargo handling equipment shall be subject to the clearance by MBPT or by persons authorized by it and shall be dismantled and removed within 15 days.

(B) **Licence (Storage) fees on goods bonded under Section 60 of the Customs Act, 1962, and stored in the warehouses and open yards belonging to the Board and licenced by the Collector of Customs under the Customs Act, 1962:**

Period of storage	Rate per sq. mtr. per week or part thereof
(a) In Sheds: i) For the first 8 weeks	` 6.25
ii) For the next 8 weeks	`12.50
iii) From 17th week onwards	`18.75
(b) In the Open Yards : i) For the first 8 weeks	` 5.00
ii) For the next 8 weeks	`10.00
iii) From 17th week onwards	`15.00

Note : The above charges are subject to a minimum calculated as for 5 sq. mtrs. for each consignment.

(C) **Licence (Storage) Fees on Over-dimensional packages stored in Docks, Sheds and Yards shall be payable in lieu of demurrage at the rate of `6.25/- per sq. mtr. subject to minimum of 5 sq. mtr. for 30 days following the date from which the consignment is out of custom charge and is ready for clearance subject to the following conditions :**

(i) On Over-dimensional packages having length over 13’6” or having width over 10’ in the case of packages removed by the Rail.

(ii) On Over-dimensional packages having length over 40' plus the protruding length over and above the motor vehicle allowed by the Regional Transport Authority from time to time or having width more than 8’6” plus protruding width over and above the motor vehicle allowed by the Regional Transport Authority from time to time.

(iii). After the free period of three days from the day of complete discharge of vessels cargo as admissible under note 1 below Section 3.1 (B) Demurrage above till the day on which the cargo is out of Custom charge and from 31st day from the day on which the cargo is out of Custom charge the over dimensional packages shall accrue demurrage as per Section 3.1 (B) Demurrage ibid.

CHAPTER - IV

CRANAGE

4. (A) CHARGES FOR THE USE OF FLOATING CRANES:

		Per tonne for each operation (`)
(1)	(i) For packages individually weighing upto 30 tonnes	715
	(ii) For packages over 30 tonnes but not exceeding 60 tonnes	1001
	(iii) For packages over 60 tonnes but not exceeding 90 tonnes	1560
	(iv) For packages over 90 tonnes	1837
	Subject to a minimum charge of `16,250/- for the use of floating crane.	
(2)	An amount of `16,250/- each will be recovered as	
	(a) Cancellation charges and	
	(b) Mobilisation charges when the floating crane is required to work outside Indira Dock Basin.	

(3) (i) 'Heavy lift' shall be defined as any package weighing 30 tonnes and above.

(ii) Packages weighing upto 30 tonnes shall, consequently, be exempt from levy of heavy lift charges.

(iii) (A). whenever packages weighing above 30 tonnes are landed by the ship's own gear without the use of the Port Trust's heavy lift cranes. (heavy lift) charges shall be recovered at 10% of the normal rate.

(B) This charges shall not, however, be levied in the following cases :

(a) In cases where the heavy lift is discharged by derricks into or loaded by derricks from barges subject to the barge being released or loaded by the use of the Port's heavy lift cranes on payment of the normal heavy lift crane charges.

(b) In cases where the heavy lift cranes though requisitioned for landing of packages weighing above 30 tonnes but could not be spared by the Port for reasons like maintenance, overhaul, repairs, non-availability of the crane because of being hired by another party etc. as certified by the Port's Chief Mechanical Engineer and when the heavy lifts have to be landed or necessary by the use of the ship's own derricks.

(c) In case of containers, either empty or stuffed with cargo, landed by the use of the ship's own derricks.

(d) Where the individual weight of package exceeds the capacity of heavy lift crane available in the port.

(e) In cases where packages individually weighing more than 30 tonnes are discharged from other hatches when the Port’s heavy lift crane is utilized on one hatch of the same vessel.

4. (B) Charges for use of Mobile Cranes and Equipment:

Sl. No.	Type of Crane / Equipment	Charges per Crane / Equipment		Minimum charges `
		Per shift `	Per 1/2 shift `	
1.	Mobile Cranes (10 to 14 tonne capacity)	3413	1950	1950
2.	Tower type cranes (20 tonnes)	5688	3250	3250
3.	Tractor	813	488	488
4.	Forklift (2/3 tonnes)	975	650	650
5.	Platform Truck	813	488	488
6.	Forklift 16 tons	5850	2925	2925

CHAPTER – V

CONTAINER RELATED CHARGES

5. (A) Composite charges on Cargo containers Handled with Quayside Gantry Cranes.

Description	Containers upto 20'				Containers Above 20' but upto 40'				Containers length above 40'			
	Rates for Foreign Containers (in `)		Rates for Coastal Containers (in `)		Rates for Foreign Containers (in `)		Rates for Coastal Containers (in `)		Rates for Foreign Containers (in `)		Rates for Coastal Containers (in `)	
	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty
General Containers	3211	2561	1927	1537	4817	3842	2890	2305	6422	5122	3854	3074
ICD Containers	4901	4251	2941	2551	7352	6377	4411	3826	9802	8502	5882	5102
Transhipment Containers and Same Bottom Containers	3822	3302	2293	1981	5733	4953	3440	2972	7644	6604	4586	3962
Export containers brought by Barges under Shipping Bills from other ports for shipment	3861	3341	2317	2005	5792	5012	3475	3007	7722	6682	4634	4010
Containers moved by barges between MBPT & other ports	3900	3250	2340	1950	5850	4875	3510	2925	7800	6500	4680	3900

5. (B) Composite charges on Cargo containers Handled with cranes other than Quayside Gantry Cranes.

Description	Containers upto 20'				Containers Above 20' but upto 40'				Containers length above 40'			
	Rates for Foreign Containers (in `)		Rates for Coastal Containers (in `)		Rates for Foreign Containers (in `)		Rates for Coastal Containers (in `)		Rates for Foreign Containers (in `)		Rates for Coastal Containers (in `)	
	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty
General Containers	2431	2171	1459	1303	3647	3257	2188	1954	4862	4342	2917	2605
ICD Containers	4121	3861	2473	2317	6182	5792	3709	3475	8242	7722	4945	4633
Transhipment Containers and Same Bottom Containers	3627	3237	2176	1942	5441	4856	3264	2913	7254	6474	4352	3884

Export containers brought by Barges under Shipping Bills from other ports for shipment	3666	3276	2200	1966	5499	4914	3299	2948	7332	6552	4399	3931
Containers moved by barges between MBPT & other ports	3120	2860	1872	1716	4680	4290	2808	2574	6240	5720	3744	3432

Notes: Sections 5 (A) & 5 (B)

(i) The above composite rates include the following charges towards onboard stevedoring and inclusion of this element in THC levied by the Shipping Lines/ Agents shall be regulated in accordance with the Order of TAMP passed in case no: TAMP/47/2000-MBPT, dated 12 June 2001:

Quayside Gantry Cranes:

(a) All general Containers and all ICD Containers `452.40
(b) All Transhipment containers and all same bottom Containers ` 904.80
(c) All export containers brought by barges under shipping bills from JNPT for shipment through MBPT ` 793.65

Non-Quayside Gantry Cranes:

(a) All general Containers and all ICD Containers `753.40
(b) All Transhipment containers and all same bottom Containers. `1506.80
(c) All containers handled by barges to and fro JNPT ` 341.25
(d) All export containers brought by barges under shipping bills from JNPT for shipment to MBPT `1094.65

(ii) Cargo container means specifically designed container of uniform size for consolidating goods within compact unit.

(iii) The above charges include on board stevedoring charges, handling at shipside, lift on of export / lift off import containers at the pre-stack area, removal of container between shipside and pre-stack / RCD yard in docks, loading / off loading of ICD containers on Railway wagons within the Docks.

(iv) Additional services of loading/unloading of containers on to the wagons/Agents' trailors and hauling to and fro shunting yard at wadala will be provided to the ICD containers.

(v) Lashing and unlashing containers on board the vessel shall be the responsibility of the vessel agents. If lashing and unlashing service is provided by the port `39/-, `58.50 and `78/- extra per 20' unit, 40' unit and above 40' unit respectively shall be leviable.

(vi) When a transshipment container is unloaded by gantry crane and loaded by Non-Gantry crane or vice versa, 50% of the Box rate for Transhipment containers prescribed at Section-5(A) and Section-5(B) respectively will be applicable.

(vii) (a). Container from a foreign port which reaches an Indian Port 'A' for subsequent transshipment to Indian Port 'B' will be levied the concessional charges relevant for its coastal voyage. In other words, containers from/to Indian ports carried by vessels permitted to undertake coastal voyage will qualify for concession.

(b). A container from foreign port landing at MBPT for subsequent transhipment to an Indian Port on a coastal voyage or vice versa would be charged at 50% of the transhipment charge prescribed for foreign-going vessel and 50% of that prescribed for the coastal category.

(viii) Empty containers received from/removed to ICD by road shall be treated on par with local empty containers for levy of charges.

(ix) Charges for containers handled by Toplift Trucks or Transtainer or Reach Stacker shall be levied separately.

(x) Import loaded container manifested as local if subsequently transhipped to ICD shall be treated as local container till the date on which the container has been allowed by the Customs to be transhipped to ICD. Similarly ICD import containers destuffed and cleared from the port shall be treated as FCL for levy of Port Charges.

(xi). A premium of 25% will be charged for Hazardous containers and will be applicable in respect of permissible 'A' category containers as also 'B' & 'C' category containers.

5. (C) With the prior permission of the MBPT authorities, rebates shall be applicable to the port users for carrying out various container operations with their own arrangements. The rebates applicable along with the conditions are as follows:

(i). Stevedoring Charges

(a). When Gantry crane is used

Sr. No.	Particulars	Foreign-Going (in `)			Coastal (in `)		
		20'	40'	Over 40'	20'	40'	Over 40'
1.	**General and ICD containers**						
	Loaded	452.40	452.40	452.40	271.45	271.45	271.45
	Empty	452.40	452.40	452.40	271.45	271.45	271.45
2.	**Transshipment and same bottom containers**						
	Loaded	904.80	904.80	904.80	542.90	542.90	542.90
	Empty	904.80	904.80	904.80	542.90	542.90	542.90
3.	**Export Containers brought by barges under shipping bills from other ports for shipment**						
	Loaded	793.65	793.65	793.65	476.20	476.20	476.20
	Empty	793.65	793.65	793.65	476.20	476.20	476.20

(b). When crane other than Gantry crane is used

Sr. No.	Particulars	Foreign-Going (in `)			Coastal (in `)		
		20'	40'	Over 40'	20'	40'	Over 40'
1.	**General and ICD containers**						
	Loaded	753.40	753.40	753.40	452.05	452.05	452.05
	Empty	753.40	753.40	753.40	452.05	452.05	452.05

Sr. No.	Particulars	Foreign-Going (in `)			Coastal (in `)		
		20'	40'	Over 40'	20'	40'	Over 40'
2.	**Transshipment and same bottom containers**						
	Loaded	1506.80	1506.80	1506.80	904.10	904.10	904.10
	Empty	1506.80	1506.80	1506.80	904.10	904.10	904.10
3.	**Containers handled by barges to and fro other ports**						
	Loaded	341.25	341.25	341.25	204.75	204.75	204.75
	Empty	341.25	341.25	341.25	204.75	204.75	204.75
4.	**Export Containers brought by barges under shipping bills from other ports for shipment**						
	Loaded	1094.65	1094.65	1094.65	656.80	656.80	656.80
	Empty	1094.65	1094.65	1094.65	656.80	656.80	656.80

(ii). Transportation Charges

Sr. No.	Particulars	Foreign-Going (in `)			Coastal (in `)		
		20'	40'	Over 40'	20'	40'	Over 40'
1.	**General, ICD and containers handled by barges to and fro other ports**						
	Loaded	734.50	1101.75	1469	440.70	661.05	881.40
	Empty	598	897	1196	358.80	538.20	717.60
2.	**Transshipment, Same bottom Containers and Export Containers brought by barges under shipping bills from other ports for shipment through MBPT.**						
	Loaded	1469	2203.50	2938	881.40	1322.10	1762.80
	Empty	1196	1794	2392	717.60	1076.40	1435.20

5. (D) Charges on container handling equipment

(1) Charges will be leviable on container handling equipment per move as follows:

	Containers upto 20'		Containers Above 20' but upto 40'		Containers length above 40'	
	Foreign	Coastal	Foreign	Coastal	Foreign	Coastal
	US $	`	US $	`	US $	`
(a). Quayside Gantry Crane	24.70	645	37.05	967	49.40	1290
(b).Rubber Tyred Yard Gantry Crane/ Reach Stacker/ Top Lift Truck (TLT)	6.5	170	9.75	255	13.00	340
(c).Trailer	18.85	492	28.25	738	37.70	984

(2) Composite box rate for on board shifting operations of containers.

Description	Foreign (in `)						Coastal (in `)					
	20’		40’		Above 40’		20’		40’		Above 40’	
	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty	Loaded	Empty
Gantry Crane	1589	1589	2725	2725	2725	2725	953	953	1635	1635	1635	1635
Ship Crane	754	754	754	754	754	754	452	452	452	452	452	452

(3) **Charges for miscellaneous handling by Quayside Gantry Cranes:**

(a)	**For opening hatch cover / pontoon and placing it -**	**Foreign**	**Coastal**
	(i) by placing it on the quay (full cycle)	US $ 98.80	`2580.00
	(ii) without placing it on the quay	US $ 49.40	`1290.00
(b)	For discharging/loading packages, units vehicles and / or any other material except containers individually weighing 20 Tonnes and above per operation/move.	US $ 197.60	`5160.00
(c)	For discharging/loading packages, units vehicles and / or any other material except containers individually weighing less than 20 Tonnes per operation/move.	US $ 98.80	`2580.00

5. (E) **Licence (storage) fees on containers:**

Sr. No.	**Place of Storage**	**Rate per day or Part thereof**		
		Container having length upto 20’	**Container having length over 20’ but upto 40’**	**Container having length above 40’**
(1).	Loaded/Empty container landed and stored or brought for export and stored anywhere in the declared Customs areas of the port.	US $ 3.25	US $ 6.50	US $ 9.75
(2).	Empty Container stored in the areas other than the declared customs areas of the Port.	US $ 0.65	US $ 1.30	US $ 1.95
(3).	Empty or loaded containers received from/ despatched to ICD by Rail/Road.	US $ 3.25	US $ 6.50	US $ 9.75

(a) In case of import containers above charges are leviable from the date following the date of completion of vessel’s import operations.

(b) In case of export containers above charges are leviable from the date of stuffing of containers at Port’s CFS or from date of bringing in of fully loaded container till the date prior to the date of shipment (i.e. excluding the date of shipment)/ the date of removal in case of Empty Container.

(c) In the case of ICD containers charges are leviable after the expiry of two days from the date following the date of completion of vessel’s import operation till the date of their loading on wagons/ removal by road or from two days following the date of receipt of containers at RCD from the upcountry ICD’s or storage yards till the date prior the date of shipment (i.e. excluding the date of shipment). In case a container is not removed/ shipped within 10 days from the date following the date of completion of import operations in case of import or from the date of receipt in case of export, the Licence (Storage) Fees will be levied at double the rate prescribed at 5 (E) (3) above from 11th day.

(d) Hazardous container will be charged at 25% premium.

(e) Demurrage charge on both cargo and container shall not accrue for the period when the port is not in a position to deliver cargo/container when requested by the users.

Notes:

(1) Import loaded containers removed out of port area for destuffing shall be charged licence (storage) fees from the date following the date of completion of vessel's import operations till the date of removal including the date of removal. Similarly, export loaded/empty containers received from the areas other than port premises shall be charged licence (storage) fees from the date of receipt till the day prior to the date of shipment(i.e. excluding the date of shipment).

(2) If a container has already been charged licence (storage) fees on a particular day under Section 5(E) above, the same unit will not be charged once again on the same day even if it is moved between the areas referred to above.

(3) The charges on a container shall be levied irrespective of whether the container is stored on chassis or on ground or stacked high.

(4) Licence (storage) fees on Containers brought under Shipping Bill for export shall be charged in terms of provisions of Section 5 (E) above from the date of receipt of the container in the port premises.

(5) The combined Transport Operators/Masters, Owners or Agents of vessels shall remove the containers to the respective site/yard/destuffing point nominated by the Traffic Manager, within a period of 4 calendar days following the date of the vessels completion of import operation. If the combined Transport Operators/Masters, Owners or Agents of vessels fail to remove such containers to the nominated areas within the prescribed period of 4 calendar days, the Traffic Manager shall have the authority to remove such containers to the nominated areas at the risk and cost of combined Transport Operators/Masters, Owners or Agents of vessels. Removal charges as notified from time to time will be levied on such containers.

(6) Container stuffed in the Port premises/container received in Docks duly stuffed in the areas other than Mumbai Port premises and removed for shipment through Ports other than Mumbai shall be charged Licence fees as per section 5 (E)(a) above from the day following the date of stuffing/from the date of receipt till the date of removal of container. In the case of containers stuffed in the Port premises/containers received duly stuffed in the areas other than Mumbai Port premises and removed to town shall be charged Licence fees of US $ 3.25 (Coastal – `141.45) for a container having length upto 20 feet, US $ 6.50 ( Coastal – `282.90) for a container having length above 20 feet but upto 40 feet and US$ 9.75 (Coastal – `424.35) for a container having length above 40 feet per day or part thereof from the day following the date of stuffing/from the date of receipt till the date of removal of the containers. The cargo inside the container shall be charged demurrage at the rate of `650/- per TEU per day or part thereof for the period of its stay in the Port. [No separate wharfage shall be recovered either on such container or on cargo inside the container.]

(7) The Import loaded containers discharged at an Indian port other than Mumbai and brought to Mumbai by Rail/Road for giving delivery shall be charged Licence Fees as per Section 5 (E)(a) above. In the case of containers received by Rail, handling charges of US $ 78 (Coastal – `3394.55) per TEU shall be levied. Demurrage on the cargo inside the containers shall be charged as per Section 3.1 (B) of Chapter-III from the date of receipt. .

(8) No Licence (Storage) Fees shall be levied on containers loaded with cargo and seized/detained by the Customs/DRI/CIU etc. from the day of its removal to the area allotted by the Board to the Customs for storage of such containers. Demurrage on the cargo inside the container shall be leviable as under :-

First 30 days of detention	: 20% of the applicable demurrage
31st day to 60 days of detention	: 50% of the applicable demurrage
61st day onwards of detention	: 100% of the applicable demurrage

(9) Any consignee desires to clear FCL through private CFSs within or outside jurisdiction of the Commissioner of Customs, Mumbai shall remove the containers within 7 working days from the date following the date of completion of vessel's import operation. On the cargo inside the container a consolidated charge of `3120/- (Coastal – `1872/-) per TEU shall be recovered. In case container is not removed within the said period of 7 working days the demurrage charges at the rate prescribed in Section 3.1 (B) of Chapter-III shall be levied on the cargo inside the container.

(10) Demurrage charges on the cargo stuffed inside the container and subsequently destuffed and removed back to town shall be levied as Note (6) above. No wharfage shall be levied thereon. Similarly, in the case of cargo stuffed inside the container and subsequently destuffed and again restuffed in the container and shipped on board the vessel, demurrage charges shall be levied as per Note (6) above till the date of restuffing of cargo inside the container and wharfage in terms of Section 3.1 (A) of Chapter-III shall also be levied on cargo inside the container.

(11) Storage charges on abandoned FCL containers/ Shipper owned containers shall be levied upto the date of receipt of intimation of abandonment in writing or 75 days from the date of landing of container whichever is earlier subject to following conditions.

(i). The consignee can issue a letter of abandonment at any time.

(ii). If the consignee chooses not to issue such letter of abandonment, the container Agent/ MLO can also issue abandonment letter subject to the condition that,

(a). the line shall resume custody of container along with cargo and either take back it or remove it form the port premises; and

(b). the line shall pay all port charges accrued on the cargo and container before resuming custody of the container.

(iii). The container Agent/ MLO shall observe the necessary formalities and bear the cost of transportation and destuffing. In case of their failure to take such action within the stipulated period, the storage charge o container shall be continued to be levied till such time all necessary actions are taken by the shipping lines for destuffing the cargo.

(iv). Where the container is seized/ confiscated by the Custom Authorities and the same cannot be destuffed witin the prescribed time limit of 75 days, the storage charges will cease to apply from the day the Custom order release of the cargo subject to lines observing the necessary formalities and bearing the cost of transportation and destuffing. Otherwise, seized/confiscated containers should be removed by the line/consignee from the port premises to the Customs bonded area and in that case the storage charge shall cease to apply from the day of such removal.

(12) The container other than 'shipper owned container' shall be removed from the regular storage area and moved to Sales Warehouse / Overflow Sheds by the Port Trust at the cost and responsibility of the Main Line Operators (MLOs) and thereafter, the container can be destuffed before the empty containers are removed from the Trust's premises by the MLOs.

5. (F) Charges payable for reefer points :

(1) For every reefer plug point allotted, a charge of US $ 8.45 (coastal `367.75) per container per Unit of 4 hours or part thereof will be levied.

(2) Reefer points will be allotted on per container/per point basis.

(3) The combined Transport Operators/Masters, Owners or Agents of vessels shall provide their own cables from the sources of supply (plug points provided for the purpose) to the Reefer Container and shall employ their own qualified staff to connect the reefer container to this supply and attend on it when in use.

(4) The Traffic Manager reserves the right to supply power to reefer containers and shall not be responsible for any loss whatsoever that the combined Transport Operators/Masters, Owners or Agents of vessels may incur in the event of

(a) failure of electric supply due to reasons beyond the control of the Mumbai Port Trust,
(b) Mumbai Port Trust's inability to supply power in time, and
(c) disconnect the supply without assigning any reason, should this become necessary for smooth operation in the Docks.

(5) Persons employed to connect/disconnect and monitor reefer containers at the reefer power supply points shall have a licence issued by the Chief Mechanical Engineer of the Port.

5. (G) Charges in respect of Port Trust labour supplied for stuffing or destuffing of cargo containers:

	Per Container	
	Foreign	**Coastal**
(i) container having length upto 20'	US $ 37.05	` 1612.45
(ii) container having length over 20' but upto 40'	US $ 74.10	` 3224.85
(iii) Container having length above 40'	US $ 111.15	` 4837.30

5. (H) Charges on Containerised Cargo

(1) Wharfage and demurrage as applicable under Sections 3.1 (A) and 3.1 (B) of Chapter-III shall be payable on import containerised cargo, excepting those destined to ICD and the FCLs cleared through Private CFS in terms of note (9) to Section 5 (E) above.

(2) The term 'LCL' means the container containing cargo belonging to more than one consignee in the vessel's manifest and the term 'FCL' means container containing cargo belonging to one consignee in the vessel's manifest. The consignee means the person/firm/company in whose name the Bill of Lading is prepared.

(3) (i) In the case of containers, other than that destined to or received from ICD and the FCLs cleared through private CFS demurrage on cargo in container shall not accrue for seven working days in respect of FCLs and LCLs from the date following the date of completion of vessels import operation.

(ii) If FCL/LCL has not reached the notified area/destuffing point when the consignee approaches with the Bill of Entry having Customs order for examination of goods or for delivery, the consignee may make a Log Entry at the nominated area/destuffing point.

(iii) If the Log Entry is made on the basis that the container has not reached the notified area/destuffing point, no demurrage shall accrue from the date of Log Entry till the receipt of the container at the notified area/destuffing point plus three working days. No intimation regarding receipt of container at the nominated area/destuffing point will be given.

(iv) The consignee shall have to make a fresh Log Entry every twenty calendar days till the container reaches the notified area/destuffing point. If the consignee fails to make the fresh Log Entry on the twenty first day but makes fresh Log Entry after lapse of some period, demurrage on cargo inside the container shall be levied for the period not covered by the Log Entry. If the twenty first calendar day is a non-working day, being a Docks Holiday, consignee may make the Log Entry on next working day.

(v) If the FCL container, other than that destined to or received from ICD, transhipment containers and the FCLs cleared through private CFS, having reached the notified area has not been destuffed for no fault of the consignee, the consignee will be entitled to a remission in demurrage charges on obtaining the endorsement on the Bill of Entry as under :

Conditions to be fulfilled	**Endorsement of the B/E by the Docks official**	**Non-accrual of demurrage.**
(a) B/E to be presented with order for Customs examination of cargo and documents of title	Endorsement "Consignee presented document with orders for Customs examination, but goods could not be forwarded for examination" (reasons to be recorded in writing) to be made by the Shed Supdt. and signed by the Asstt. Manager	3 Calendar days including the date of presentation of B/E
(b) B/E to be presented with "Out of Customs charge" endorsement/ ready for clearance	Endorsement "Cargo not destuffed", (reasons for not destuffing the container should be recorded in writing) to be made by the Shed Supdt., and signed by the Asstt. Manager	3 Calendar days including the date of presentation of B/E.
(c) On presentation of B/E on the 2nd occasion to the Shed Supdt.,	Endorsement "Cargo not made available for delivery within the period of 3 calendar days as container	3 Calendar days beyond the period as at (b) above.

with endorsement of Customs " out of charge ready for clearance" on the 4th calendar day mentioned in Col.(3) against (b) above.	could not be destuffed" (reasons to be recorded in writing) to be made by Shed Supdt. and signed by the Asstt. Manager.	

(vi) If the LCL container is not destuffed and the consignee approaches on lodgement of document of title to the concerned CDO and the B/E having the Customs orders for examination or for delivery, the consignee may make a Log Entry at the notified area and continue to make fresh Log Entry/Log Entries every twenty calendar days till the container is destuffed. If the twenty first calendar day is a non-working day being a Dock Holiday, consignee may make the Log Entry on the next working day. No demurrage shall accrue for the period covered by Log Entry and for 3 working days following the commencement of destuffing of each container. No intimation regarding destuffing of the container will be given.

(4) On export cargo received in the Docks, for shipment in containers, wharfage charges and demurrage charges under Section 3.1 (A) and Section 3.1 (B) of Chapter-III shall be levied upto the date of stuffing of cargo in container and not thereafter.

(5) Wharfage on cargo inside the export loaded container received from other than port premises excluding container received from ICD shall be charged `1300/- (Coastal `780/-) for a container having length upto 20 feet, `1950/- (Coast `1170/-) for a container having length upto 40 feet and `2600/- (Coastal `1560/-) for a container having length over 40 feet .

(6) The clauses at Sl. No. (1), (4) and (5) above will not be applicable for the containers not handled by the MBPT at its berths but brought to its CFS for cargo management operations and vice-versa and delivery / receipt purposes.

(7) (a) In case of import containers brought from other than MBPT operated berths to MBPT CFS for destuffing and cargo delivery, a cargo management charge equivalent to 90% of the wharfage rates prescribed in Schedule 3.1 (A) of Chapter III is payable.

(b) In case of import containers brought from other than MBPT operated docks to MBPT CFS for delivery as loaded container, cargo management charges equivalent to 50% of the charges prescribed in clause 7 (a) above is payable on the cargo inside the container.

(c) In case of export cargo received and stuffed inside the containers at MBPT CFS and moved to ICTPL Terminal as loaded containers for shipment, cargo management charges equivalent to 90% of the wharfage rates prescribed in Schedule 3.1 (A) of Chapter III is payable.

(d) In case of export loaded containers received at MBPT CFS and moved to ICTPL Terminal for shipment, a consolidated charge of

`1170/- per TEU for foreign container (`702/- per TEU in the case of coastal containers) is payable on the cargo inside the container.

(e) The provisions at 7 (a) to 7 (d) above shall automatically lapse with effect from 11 January 2012 (i.e. on the expiry of six months from the date of notification of Order No.TAMP/17/2011-ICTPL).

GENERAL NOTES :

(i). Mafis and imported chassis shall be treated on par with containers of equal sizes for levy of all charges under this Section and if the same are taken back on board the vessel from which they have been discharged, no charges shall be levied.

(ii). Transhipment and same bottom containers shall be treated on par with import containers for levy of licence fees for storage.

CHAPTER – VI

CHARGES LEVIABLE AT BUNDERS

Bunder limit means such portion of the wharves and land adjoining the wharves set aside for goods in transit. A wharf may extend to 15.25 meters measured from the wharf front.

6.1. LICENCE FEES

(A) Licence fees will be levied on vessels registered and vessels using Bunders as under :

Sl. No.	Description of vessel	Basis of charging	Monthly Licence Fees per GRT (`)
1.	Fishing vessels and Trawlers	Rate per GRT	24.35
2.	Vessels using New Ferry Wharf other than Passenger Boats	-do-	65
3.	(a) Passenger Boats	-do-	24.35
	(b) Catamarans and Hovercrafts	-do-	40.60
	(c) Pleasure Crafts	-do-	48.75
4.	Other vessels including Barges not covered in the above categories	-do-	56.85

NOTES

(1) Licence Fees on annual basis shall be 8 times the rates prescribed as above.

(2) Vessels using the Port Trust Bunders for the purpose of working cargo, undergoing survey, repairing or idling, shall pay Licence Fees as prescribed at 'A' above at the MBPT Cash Collection Centre and obtain an endorsement on the Licence Book. However, the Vessels occupying the Wharf/Hard for repairs on its keel or jacked up on the wharf / hard for changing side plates etc. or being constructed will be charged `4.85 per day per GRT from the date of occupation of the hard for the purpose of construction / repairing.

(3) Vessels must always carry with them the Licence Book which shall be presented for inspection whenever so demanded by the MBPT officials authorized for such inspection.

(4) Default in adherence to the provisions contained in Notes (1) to (3) above shall render the vessels being distrained or arrested and sold in accordance with the provisions contained in the Major Port Trusts Act, 1963 (Act No. 38 of 1963) or the Indian Ports Act, 1908 (Act No. 15 of 1908) and Regulations that may be prescribed thereunder.

(5) Payment of charges under this Section shall not entitle a vessel to take up or retain any particular position, in a basin, alongside a wharf or the approach there to, a Hard, Flat or Wharf or any other portions of the Bunder premises.

(6) Annual Licence Fees will not be levied on the following craft provided they do not ply for hire:

Customs, Water Police, the Central or any Provincial Government and Surveyors. Also fenders and launches of Shipping Companies employed in connection with the inspection of crew and landing or embarking passengers from their own vessels.

(7) Monthly licence fee shall be charged from the date of registration of the boat/trawler at the Bunder, valid for one month thereafter.

(8) Vessels opting to pay Licence Fees on monthly basis shall pay the fees immediately on their arrival at the Bunders and shall not leave the bunders without payment of the fees due from them. Default in adherence to this provision shall render recovery of interest from the owners at the rate prescribed at Clause 1.2 (v) of the general terms and conditions at Chapter-I ibid.

(9) Licence fee for use of Bunders shall not be levied separately on vessels which pay licence fee for water conveyance under Section 2.11 (II) of Chapter-II ibid.

(B) Licence Fees on users and ancillary trade at New Fish Jetty and New Sassoon Fish Harbour and Old Sassoon Dock.

Sr. No.	**Activity**	**Rate (` Per Annum)**
1.	Ice Crushing Machine	9750/-
2.	Fish Auctioneers	12188/-
3.	Hand Carts	488/-
4.	Ice Suppliers	6500/-
5.	Water Supplier	9750/-
6.	Transport / Vehicles Licensing	(a). 813/- per truck per annum (b). 33/- per truck per day if permit at (a) above is not held
7.	Weighing Scale (Katawala)	6500/-

NOTES

1. Only valid licence holders shall be allowed to carry out above activity

2. The licences shall be renewed on annual basis.

3. Registered fishermen's Co-operative societies will be granted rebate of 50% in the above licence fees.

6.2. WHARFAGE

On cargo handled at Hay Bunder, Haji Bunder, Malet Bunder and New Ferry Wharf (except Fish Jetty) and such other Bunders as may be notified separately, wharfage per tonne will be recovered as under:

	Description	Rate (`)	
		Foreign	Coastal
(a).	Hazardous cargo	32.50	19.50
(b).	Non-Hazardous cargo excluding salt	19.50	11.70
(c).	Salt	4.85	2.90
(d).	Petroleum products	12.50	12.50
(e).	Thermal Coal	32.50	32.50
(f).	Coal other than thermal coal	32.50	19.50
(g).	Steel	32.50	19.50

Note: (i). No wharfage will be recovered at fish jetties of Sassoon Dock and New Ferry Wharf.

(ii). Hazardous cargo to be classified as per IMO and MBPT categories.

6.3. DEMURRAGE

(I). On cargo handled at Hay Bunder, Haji Bunder, Malet Bunder and New Ferry Wharf (except Fish Jetty) or such other Bunders as may be notified separately, demurrage shall be charged as follows:

Description		Rate per tonne per day or part thereof (in `)
(a)	Hazardous Cargo	26.00
(b)	Non-Hazardous Cargo	6.50
(c)	Coal	26.00

(II). No demurrage shall be recovered on cargo landed at other Bunders. Cargo landed at other Bunders, however, shall be removed from wharf on the day of landing either by direct delivery or by shifting to importers premises. The export cargo shall be allowed to be kept on wharf on the day of shipment.

Notes:

(1) Any consignee or shipper or his agent found shipping or removing cargo from any of the Trustees' Bunders without first paying the wharfage and any other charges due shall be liable to pay double the charges laid down for the same in the Scale of Rates charged at the Bunders.

(2). Wharfage will be assessed on the gross weight of the goods as shown in the invoices and specifications together with Customs documents and Import and Export Applications.

(3) The charges under the Scale of Rates as above will not be leviable on goods stored at the Bunders and removed thereto under the provisions of Docks Bye Law No. 53

(4) The Board of Trustees does not provide labour at the Bunders for the landing shipping or removal of goods. All goods lying at the Bunders remain there at the risk of the consignee or shippers and are in their charge.

(5) Charges on containers and containerized cargo shall be assessed in accordance with the Scale of Rates charged at the Docks.

(6). The minimum charge recovered in any Application-cum-Bill or Bill should not be less than `100/- (One Hundred Rupees).

(7). Demurrage charge on both import and export cargo/container shall not accrue for the period when the port is not in a position to deliver cargo/container when requested by the users.

CHAPTER – VII

CHARGES FOR BREAKING, CONSTRUCTION AND REPAIR OF VESSELS AT BUNDERS

7.1. Charges for Ship-Breaking:

In respect of vessels being broken up on the Port Trust Hards the charges will be recovered from the date of beaching as under:-

Sr. No.	Description	Rate per day per LDT
(1).	For the period from the date of beaching to the date preceding the date of commencement of breaking.	`5.074
(2).	For the regulated period of the vessel. (The regulated period shall be one month per 900 LDT.)	`7.687
(3).	If the vessel continues breaking beyond the regulated period as at (2) above.	`15.375 for one month for vessels upto 3000 LDT and for two months for the vessels above 3000 LDT.
(4).	For the period beyond the period of extension as at (3) above	`30.75

Notes:

(1). Charges mentioned above shall be recovered on the total LDT of the vessel for the entire period of occupation.

(2). The month for the purpose of regulation shall be reckoned from the date of commencement of breaking to the preceding date in the following month eg. 10^{th} April to 9^{th} May.

(3). The initial regulated period is determined considering 900 LDT or part thereof per month e.g.

Vessels upto 900 LDT	-	1 month
901 – 1,800 LDT	-	2 months
1,801 – 2,700 LDT	-	3 months

and so on in the multiple of 900.

(4) Vessels which are completely broken and removed prior to the expiry of the regulated period will be granted a rebate in the form of refund of part of the charges recovered under (2) above. The percentage of rebate shall be worked out as under:-

$$\frac{\text{(Regulated period, in days)- (No. of days actually taken)}}{\text{(Regulated period, in days)}}$$

The rebate as worked out above will be subject to a ceiling as under depending upon the size of the ship:

Size of the ship	**Maximum rebate admissible in percent of the total charges recovered**
LDT upto 9000	25%
LDT above 9000	40%

7.2. Charges for Construction & Repair of vessels:-

Vessels including boats, tonies, hodies, rafts pontoons, tank barges, dump barges and other craft being constructed or fitted out in the Port Trust hards or anywhere on wharf will be charged `4.60 per day per GRT from the date of occupation of the hard for the purpose of construction/repairing.

Notes:

(1). A vessel shall be deemed to be on a hard when she has been beached in a position approved by the MBPT or its authorised person alongside or as near as possible to the Bunder pursuant to the application made by the Owner of the vessel for the purpose.

(2). Failure to make payment of MBPT charges shall be deemed to be a default and the Board reserves the right to arrest the vessel or the unbroken part of it and take over the broken up material of the vessel if any, lying in MBPT Premises. The vessel/unbroken part of the vessel and all other material so arrested and taken over shall be disposed off by the Board in accordance with the provisions of MPT Act, 1963. The sale proceeds will be first utilized to cover MBPT charges, including expenses of sale and disposal methods employed. Deficit, if any, will be recoverable from the ship-breaker. Surplus, if any, will be paid to the ship-breaker as per rules.

(3). Charges for construction of vessels will be recovered on the GRT of the vessel as certified by the Mercantile Marine Department for which purpose the requisite certificate of registration shall be produced for the inspection of the MBPT within one month from the completion of construction and the launching of the vessel. In case of such crafts as are not registered with any statutory authority, the charges will be levied on the contractual Dead Weight Tonnage.

(4). All charges for ship-breaking shall be payable in advance initially for a period of three months. If the work is not completed within three months, the further charges shall be payable in advance for every month till completion.

(5). A vessel launched from the hard and lying in the adjoining Bunder basin for fitting out or any other purpose will be charged licence fees at `15.35 per GRT per day and in the case of unregistered craft on the DWT.

(6). No vessel shall be constructed or assembled or fitted out (repaired) on a Port Trust hard without the prior permission of the MBPT or its authorised person, permission for which shall be granted only after a deposit equivalent to three months charges calculated on the contractual DWT of the vessel has been collected from an intending party and which deposit shall be refunded to the party on completion of the construction of the vessel and submission of certificate as mentioned at Note (3) above.

(7). Charges due on construction of a vessel shall be paid at regular monthly intervals based on contractual DWT of the vessel and all charges due on the construction shall be paid before the removal of the vessel from the basin or the hard.

CHAPTER – VIII

CHARGES LEVIABLE FOR OPERATION OF CATAMARANS, HOVERCRAFT, SPEED-BOATS ETC.

8.1. Passenger Fee

(i) `7.70 per passenger for peak hour service (9.00 a.m. to 11.30 a.m. and 5.00 p.m. to 8.00 p.m.)

(ii) `3.70/- per passenger for non-peak hour service

(iii) Charges to be worked out at 30% of passenger capacity in respect of the routes served between Gateway of India and Mandwa and at 60% of passenger capacity in respect of all other routes.

(iv) Charges to be recovered per month basis in advance taking into account the slots allotted and capacity of craft (irrespective of whether the services are operated or not or actual number of passengers)

8.2. Other charges such as licence fee and port dues as per respective scale of rates.

Notes:

(1). Charges as above will have to be paid by the operators for eight months only in respect of the catamarans/ hovercrafts plying between Gateway of India and Mandwa. In respect of other routes the charges will have to be paid by the operators of catamarans, hovercrafts, speed boats, etc. making use of the two jetties, for the entire year, including monsoon.

(2). Three months charges to be recovered as security Deposit.

(3). Maximum fare has to be approved by the MBPT or the person authorized by it.

(4). All the operators shall use the common booth for sale of tickets.

(5). The route for operation of the hovercraft/catamaran services through Mumbai Harbour will be as advised by the MBPT or its authorised person.

(6). In the event of the parties committing any breach of the terms and conditions or any direction of the MBPT or the person authorized by it, the arrangement shall be liable to be terminated forthwith.

(7). The operator shall obtain licence in respect of every vessel under the provisions of Port of Mumbai Passenger Boats Rules 1962 and shall comply with all provisions of said Rules.

(8). As regards the functioning of tidal observatory, the operators shall also comply with the following:

(i) Any air cushion in water created due to operation of hovercraft may affect the height of tides that are recorded. If such effects are observed, the party shall carry out at their own cost such remedial measures as may be suggested by the Director General, Survey of India;

(ii) Utmost precaution should be taken by them to ensure that no foreign material/wastages are thrown into the sea water which may result in reduction in the height of water; and

(iii) No oil/gasoline should be thrown in the water that may change the density/salinity of the water.

(9). Operation of the catamarans/ hovercraft, etc. shall not cause any pollution. Any failure to ensure this would attract not only recovery of expenses incurred to clear/neutralise the pollutants, but also penal action.

CHAPTER – IX
MISCELLANEOUS CHARGES

9.1. A. Telephone Charges

No charges will be levied for the telephone provided for the vessel's use.

9.1. B. Labour Charges

Labour charges shall be payable on goods, the cost of handling of which has not been specified elsewhere in this Scale of Rates	`26 per tonne

9.1. C. Copy of an Application-Cum-Bill `13 per copy

9.1. D. Charges for supply of Fresh Water by the port

Charges for supply of fresh water to the vessels berthed at the Docks and at Jawahar Dweep and Pir Pau shall be recovered at the rate of `195/- for 1000 litres.

9.1. E. Supply of Water by Licensed agencies

Charges for supply of water by licensed agencies will be levied at the rate of `11.70 per 1000 liters for use of MBPT facilities.

9.1. F. Charges for use of weighbridges installed by the Port `60/- per vehicle

9.2. A. Permits for Motor Lorries, Mobile Crane etc. to ply in the Docks (vide Docks Bye-Law No. 130)

	Charges
1. Motor Lorries and Local Chassis	
(i) Fresh permits and renewals for every quarter	`104/- each
(ii) Duplicate	`78/- each
(iii) Fresh permits and renewals valid for the day of issue	`26/- each
2. Mobile Cranes and Forklifts	
(i) Fresh permits and renewals for every quarter	`520/- each
(ii) Duplicate	`78/- each

3. Container handling equipments (i) Fresh permits and renewals for every quarter (ii) Duplicate	`1300/- each  `130/- each

9.2. B. Consignees, Owners and Importers of iron & steel, other cargoes and container removed from the Docks under Docks Bye Law No. 60A shall be charged for such removal at the rates as may be sanctioned by the Board from time to time and notified in at least two local newspapers. The rates will take effect from the date of their sanction by the Board.

9.3. A. Charges payable at Passenger Berths by visitors

For a bonafide visitor to the passenger berth in the Docks on the day of embarkation and disembarkation of the passengers.	`65 per head

9.3. B. Embarkation and disembarkation charges

Embarkation and disembarkation charges at the rate of `195/- for embarkation and `195/- for disembarkation per passenger at the Docks and other designated areas from cruise vessels will be levied.

9.4. Charges for use of pipelines from Pir Pau Manifold to Sewree 'O' point/Hay Bunder/Indira Dock/Naval Dock Yard

Description of pipelines	**Charges per 30 minutes or part thereof (in `)**
SKO	3495/-
HSD	3495/
Bunker/Black Oil line	3495/
Flushing Line	1748/-
Facility Utilisation (Utilisation of facilities like manifold when main line is not utilised)	699/-

NOTES:

(i). Cancellation of requisitions will be treated as an operation once port issues its readiness for the operation and charges as applicable will be levied for the period from the time of readiness till the time of stoppage of operation

(ii). Requisitioner for the line/facility will be billed

(iii). Time consumed for flushing operations shall not be treated as an operation

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SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / DIFFERENT USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

TAMP/46/2009-MBPT	:	**Proposal from the Mumbai Port Trust for general revision of its Scale of Rates.**

A Summary of the comments received from the users / user organizations and comments of the Mumbai Port Trust (MBPT) on the comments of users are tabulated below:

Sl. No.	Comments received from the User Organizations	Reply furnished by MBPT
1.	**Indian Oil Corporation**	MBPT letter Dated 22 March 2010
	The new proposal indicates substantially higher levels of escalations especially for crude / POL vessels.	The proposed wharfage rates on POL products have been increased on par with other services. The wharfage rates on some services have been rationalized. The escalation level of charges on POL / crude vessels is same as in case of other vessels / cargo related activities.
	The composite pilotage / towage charges, double banking with tug assistance are increased by 30% /23.6% for foreign / coastal vessels. The wharfage charges for crude and other POL products are increased by 42.5%. The escalation levels are exorbitant for POL / Crude Vessels and required to be considered on realistic market driven conditions. We recommend not changing any tariff for POL / Crude Vessels for next three to five years. Also, we request for reconsidering the escalation of 23.5% in MBPT fire services standby charges. The charges are presently levied on equipment / No. of personnel deployed which is quite subjective with less control by the user. We suggest consolidated fees for such charges to avoid disagreement between MBPT and the user.	As regards levy of consolidated fees for fire fighting as suggested by Indian Oil Corporation, it is to be stated that charges levied presently on equipment and number of personnel deployed is in order as requirement of equipment and personnel varies from cargo and circumstances.
2.	**Karanja Machhimar V.K.S. Society**	MBPT letter Dated 22 March 2010
(i)	Our sanghatana has 578 boats. Though the owners of these boats pay rent, they do not get the necessary facilities from Sassoon dock. In the docks sale of fish is carried out by some people who are not members of the sanghtana. Hence the fishermen do not get sufficient space to sell their fish. This practice must stop. They do not get necessary facilities like drinking water and clean environment. Due to such shortcomings, our members will not pay the hike	MBPT has provided substantial infrastructure facilities at both the fish landing centers viz. Sassoon Dock and New first Jetty, Ferry Wharf for which monthly licence fee is levied on the fishing vessels. The proposed MLF charges on the fishing vessels are reasonable. The resentment expressed by society over the unavailability of desired amenities is not

	in rates proposed by MBPT.	justified. Port is maintaining hygienic conditions by washing jetty every day. Regarding outside fish being sold at Sassoon Dock, the matter has been taken up with the State Government. Port is supplying water to fishermen.
3.	**All- India Liquid Bulk Importers & Exporters Association (AILBIEA)**	MBPT letter Dated 22 March 2010
(i).	Wharfage rates and other ship berthing costs are the highest in Mumbai Port as compared to any port in India, or for that matter all over the world. These rates are periodically revised upwards without any semblance of upgradation of facilities or incentives to the liquid bulk trade.	The rate of Wharfage on POL of MBPT is ₹ 52.10 (existing) and ₹ 60.30 (proposed). The rate of existing Wharfage on POL of Kolkatta and New Mangalore are ₹ 76.50 and ₹ 70.00 respectively. MBPT rates are lower when compared to jetty facilities in harbour. The present rates are in force since 2001 and are 9 years old.
(ii).	High percentage of revenue earned by Mumbai Port Trust is through liquid bulk cargoes, though mainly on account of petroleum products. This substantial revenue is constantly accruing despite high rates. But, the significant point which the MBPT is oblivious and losing out – is diversion of cargoes to other ports, due to very lower tariffs now available at various ports. So, it is unfair to put the entire burden on those importers who have been faithful, loyal and long term customers of port-only because they have no other alternative.	As far as the diversion of cargo, the same depends on the end cost to importer or exporter and competition prevalent.
(iii).	It is the bounden duty of the port to ensure that the accumulated reserves are judiciously used for betterment of trade and to provide services and facilities at subsidized rates.	The rates for services are fixed on cost plus ROCE. Revision of rates are sought based on cost plus approach periodically as per TAMP's guidelines. Creation of reserves is for specific purposes and is utilized for development of facilities and modernization of port.
(iv).	The increases sought are against the present tide and depressing moods prevalent in the trade.	The comprehensive revision was due from 31.03.2009. However due to global recession, the proposal was withdrawn and a fresh proposal forwarded to TAMP so that the existing rates would be valid upto 31.3.2010. Wharfage rates on POL products have remained unchanged for last 9 years.
(v).	Many business houses and industries have resorted to the most difficult act of 'downsizing' their personnel, salaries have been steeply cut, and overall reductions have been enforced in many areas just to stay afloat in the commercial world. Under this depressing atmosphere, it is not justifiable for the cash rich port to seek upward tariff revision.	Comprehensive tariff proposal is sought as per guidelines. Even Port has to bear the burden of recession and global slowdown. Further, there has been a wage revision, which too needs to be addressed. The port has not loaded any past liability on account of terminal benefits to fix the tariff
(vi).	The trade should not be penalized for their docile and dignified stance, and, year after year, tariffs keep increasing without any semblance of improvement in facilities, any	The revision is sought as per guidelines and based on cost plus approach. MBPT has proposed only 30% increase. The proposal did not realize 16% ROCE. Port is in the

<table>
<tr><td></td><td>incentives given, nor any logical justification given for the increase. Increase, if any, sought should be within permissible limits of escalation i.e. 4% to maximum of 5% over the existing rates, that too, only in very few areas which can afford to absorb such increase. However, we find that increase sought is ranging from 15% to 875% in some cases.</td><td>process of implementing many developmental projects to provide improved facilities to the users.</td></tr>
<tr><td>4.</td><td>Iron Steel Scrap & Shipbreakers Association of India.</td><td>MBPT letter Dated 22 March 2010</td></tr>
<tr><td>(i).</td><td>The prevailing high scale of rates for ship breaking was one of the reasons for almost the closure of ship breaking activity at the Bombay Port Trust Yards during the last three years as can be seen from the following statistics.
<table>
<tr><th>Year</th><th>No. of ships</th><th>LDT of ships broken up</th></tr>
<tr><td>2006-07</td><td>4</td><td>3,682</td></tr>
<tr><td>2007-08</td><td>-</td><td>-</td></tr>
<tr><td>2008-09</td><td>9</td><td>33,762</td></tr>
</table></td><td>The proposed SOR is with an upward revision of 30%. Accordingly, ship breaking charges also have been increased by 30%. The Ship-breaking service will still be in deficit.</td></tr>
<tr><td>(ii).</td><td>Due to release of substantial ships for demolition and consequent drop in prices, the situation has improved resulting in more ships arriving in Mumbai ship breaking plots for breaking. But this is a temporary phenomenon which should not be used by MBPT to increase the scale of rates.

MBPT will be able to generate substantial revenue even with the existing scale of rates with the rise in number of ships coming to Bombay Yards for breaking. It is essential that MBPT should stick to the present scale of rates to sustain the useful economic activity in Bombay Yards.

Our comments on the notes on ship breaking are as follows:

(a) Charges mentioned should be on 50% LDT of the vessel and not on the total LDT of the vessel for the following reasons:

(i) During the sanctioned period, substantial portion of the ship is broken. The balance to be broken at any given time is not the entire ship.

(ii) In many cases, the ship is removed from the sea, but the materials are lying on the plot. MBPT allows another ship to be beached from where the ship has been removed. Thus, MBPT will be charging double the rate for the same plot; one for the ship in the sea and another for the material lying on the plot.</td><td>For carrying out ship breaking activity, one plot per vessel is allotted to the ship breaker. The plot allotted for ship breaking remains in possession of the ship breaker till the completion of the ship breaking and removal of broken material from the plot. The possession of plot remains with the ship breaker during the entire tenure of ship breaking. The charges are levied for the occupation of the plot by the ship-breaker for his ship-breaking activity and the plot cannot be allotted in slices. Hence, the ISSAI request to levy 50 % LDT of the ship is not logical and acceptable. At present, 12 plots at Lakri Bunder (South) having area ranging from 742 Sq. mtrs to 1170 sq. mtrs and 6 plots at powder works bunder having area ranging from 2339 sq. mtrs to 3179 sq. mtrs, are allotted to ship breakers for carrying out ship breaking activity.

Permission for breaking of next vessel is granted only after the complete removal of material of the earlier vessel.</td></tr>
</table>

	The industry has no objection in MBPT's proposal to increase the initial regulated period considering 900 LDT or part thereof per month instead of the prevailing 800 LDT or part thereof.	
5.	**Mumbai & Nhava Sheva Ship Agents Association**	MBPT letter Dated 23 March 2010
(i).	The existing rates of MBPT are already very high. The present downturn economy has very badly affected EXIM Trade and thus has also affected the freight rates and revenues of owners / principals and their Agents. If scale of rates of MBPT is to be revised, then there will be heavy additional burden on the ship owners/ their agents and there is every likelihood of the trade getting shifted elsewhere. [MANSA has furnished a statement showing the existing changes and the proposed charges on different heads of Scale of Rates on the vessel related charges and stevedoring charges]	The comprehensive revision was due from 31.03.2009. However due to global recession, the proposal was withdrawn. The fresh proposal has been forwarded to TAMP on 30.10.2009 and existing rates are valid upto 31.3.2010. MBPT was also affected to recession and global slowdown. Further, there has been a wage revision, which needs to be addressed. It is pertinent to note that port has granted various concessions / facilities to port users. Port has made provisions for improved facilities for shipping operations.
(ii).	In the case of oil cakes in bulk, the proposed rate has been reduced by 7.3% which is welcome but the ceiling rates for gear supply for such oil cakes in bulk has been increased from ₹10 to ₹29.	The rates for supply of gear ranges for general cargo from ₹ 10 to ₹22 for different items. This has been standardized and increased by 30%. Hence, the rate of ₹29 (i.e. 30%) is in order. The cost of rendering service / gear is common for all the cargoes.
(iii).	The gear supply rates per box for stuffing / de-stuffing has been increased by 33.33%.	The rates for supply of gears for containers had been increased from ₹ 15 to ₹ 20, resulting is an increase of 33% as against general revision of 30%.
(iv).	Even though the stevedoring rates for machinery / project cargo being the highest, neither the shore labour nor the stevedoring labour of the port takes any part in the hooking on and hooking off of the machinery / project cargo and over-dimensional packages, on the pretext of safety consciousness and the Agents / Principals have to undertake this work by employing extra labour at extra cost. Thus there is no justification for stipulating such high rates for such types of cargoes as the port labour in both the cases does minimum effort and does not put any expertise. Added to this is now the proposal of the port to increase further by additional 30% in the already existing high rates. We therefore strongly urge that there is a case for review and reduction in these rates.	The contention of minimum effort / no expertise is not acceptable. ODC / Project cargoes are loaded / discharged on heavy lift ships, which are specially designed to handle such heavy cargo. The cranes of such ships are heavy duty and some ships are equipped with cranes having capacity upto 500 m.t. This operation is generally time consuming and intricate and requires to be skillfully carried out under proper supervision of OBL supervisory staff and due care by the port labour. In a shift only 2 to 3 packages are handled. Slinging of the package is also very slow and time consuming. While lifting / placing the package, ballasting / de-ballasting takes place to stabilize the ship. One operation can take upon 2 hours or more from the time of lifting to placing the package. After placing the package on the ship, lashing / welding is done. This operation is carried out under strict supervision of the Master / Chief Officer of the Vessel. Utmost care is required to be taken in the interest of the safety of the vessel and cargo. As contended by MANSA

		sometimes private labour is deployed by the Vessel Agents to perform the job of hooking/unhooking when the hooking/unhooking points are not easily accessible to the port labour. The most important part of the said operation is carried out by the port's winch / crane drivers. Hence, MANSA's contention for reduction in the proposed rate has no justification.
(v).	Whether it is line container or SOC the method and expertise used in handling is identical. The stevedoring rates for both types of containers should be the same.	Stevedoring rates for line containers are a part of container box rate and SOCs are treated as general cargo and stevedoring charges are recovered accordingly. SOCs are delivered to the consignees along with cargo on payment of wharfage / demurrage charges, treating them as break bulk packages. Moreover, no ground rent is billed to the Agents in respect of SOCs. In respect of export, rates are applied as per declaration of cargo in the shipping bill. Hence, MANSA's contention to have the same stevedoring rate for both the types of containers is not acceptable.
(vi).	Whenever raw/steel products (e.g. coils, plates, billets, angles etc…) are handled, only the TAMP approved rate should be recovered and not at the fancies and presumption of the port officials.	It appears that MANSA is referring to the rate of machinery / project cargo applied by the MBPT for certain items of steel cargo on the basis of its specification in the IGM viz. ship building quality, boiler quality of cargo consigned to project work, which is higher than the rate applicable to steel cargo. All rates applied are approved by TAMP. Any issue of interpretations can be dealt with separately.
(vii).	Whenever the consignments / cargoes of units like cranes, tractors and bulldozers etc. are discharged as cargo the rates applied should be per ton when such units are handled by lift on / lift off (LOLO) operations but we find port has proposed to consider these as vehicles which under the strict sense are cargoes coming from a destination to an importer as cargo discharged under LOLO operation. The port should be advised to adhere to the TAMP approved rates and no other adhoc rate should be applied for billing.	The rate structure for cranes, bulldozer etc. has been standardized and categorized under Motor vehicle for wharfage and stevedoring uniformly. The activity of stevedoring is generating operating deficit even after upward revision
(viii).	Port has proposed to merge existing sections applicable for bunder operations into the DSR under Chapter IV as Miscellaneous Charges. The charges proposed show that there is a quantum jump. We view this as very unrealistic proposal leading to complete breakdown in the bunder activities The Bunder traffic requires lot of support for sustenance. We feel that such a high hike in rates would result in vanishing of the traffic from	MBPT has standardized and simplified the scale of rate dividing it into four chapters for easy reference. Miscellaneous 'Charges Leviable at Bunder' (Licence fees on users and ancillary trade at New Fish jetty and New Sassoon Fish Harbour and Old Sassoon Dock) have been increased by 30% over existing rate and incorporated at Chapter IV as Miscellaneous Charges. Basic infrastructure is provided. It is choice of users whether they have to use bunders or docks.

	the port. Such an unhealthy situation should altogether be avoided. We therefore appeal that the original Bunder status be maintained as the activites thereat are carried out without any port labour involved or any port equipment provided. It is only the wharf area and land area through which these cargoes are passed and therefore do not attract such heavy charges.	The ceiling rates are fixed by the TAMP. Remission if any to be granted will be decided by Board of Trustees depending on the merits. Rates prescribed at Bunder and MOT at JD & Pir Pau have been brought at par with the rates applicable at Docks by merging those with the respective sections of present SOR. Due to this, wharfage rates for cargo handled at bunders will increase over and above 30% of the proposed general increase. The cargo profile at Bunder shows that the impact will be mainly on coal. i.e. an increase of 92% in wharfage of coal at bunders. Port also needs to spend on pollution control, maintenance of roads etc. for handling coal.
(ix).	We have gone through the various definitions / amendments proposed in the SOR and we have to observe as under:	
	(a). Cold Move:- We see no reason to change the definition as, if generators are not working then it cannot be considered as cold move.	If only generators are not working i.e. winches and mooring capstans are not working, the vessel is not considered to be 'cold'. "cold move" is restricted to towage of the vessel which does not have the availability of her own propulsion.
	(b) TP Cargo – By adding word 'cargo' what happens to ship spares and Mafi Trailers etc. is not understood. Hence no amendment is needed	Definition has been proposed to be changed after considering the draft Model Scale of Rates issued by TAMP.
	(c). TP Container- If the definition is changed what happens to containers which are mechanized d by rail or road is not clear. Hence no change should be done.	The definition as given in the draft Model Scale of rate may be retained.
	(d) It is not necessary to change the conditionalities prescribed for conversion of the status of the vessel.	The changes proposed are in connection with passenger vessels, OSV vessels and vessels other than cargo vessels visiting the port. TAMP may have to take a view.
	(e). Conversion of dollar denominated tariff – The earlier provision must stay or it should be TT buying rate.	This is as per TAMP's guidelines
	(f) Interest rate – No reason to increase since presently interest rates have been reduced to 7.5 pct per annum. There is need to reword the conditionalities of counting the days for charging the penal interest and production of the required documents.	As per TAMP's guidelines, the rate of interest will be 2% above the Prime Lending Rate of the State Bank of India. The clause is as per TAMP's guidelines Further relaxation is not essential. In fact the payments have to be made in advance before availing of services. Hence no justification.
	(g) Pilotage and Towage With present shipping market and with no infrastructure change we see no reason to increase the rates as there is always shortage	MANSA's contention is not correct. The port has no shortage of pilots and crafts. The port has employed sufficient full time pilots on contract basis and two new echan tugs, four

	of pilots and crafts. [MANSA has furnished a statement showing existing and proposed Scale of Rates on pilotage]	pilot launches have been inducted in the fleet of Port's Craft for improving efficiency of the port. Mumbai port is far better placed, when compared with other ports as regards to number of pilots and vessels.
	(h) Notes on pilotage and towage - Shifting of a vessel either from echan wall berths or BPX/BPS berths to stream and then back to berth so as to accommodate another ousting priority vessel should be on port convenience.	Port convenience has been defined for exemption from charges for shifting. All other shifting will be chargeable. Mumbai Port does not have provision for ousting priority and imposing of charges on the vessels for the purpose of ousting.
	(i). We recommend addition of a note to the effect "Shifting of the vessel from cargo berth to the RORO berth or vice versa for the convenience of loading or discharging on specific request from the agent of the vessel in their berthing application".	MANSA's request for above addition to Note can be accepted.
	(j) Lighterage – The existing arrangement should stay as it is GRT based and all port charges on vessel are GRT based. If vessel discharges part cargo in stream then it will create problems. If charges are based on wharfage then it is cargo related and cannot be on mother vessel. The matter in respect of lighterage charges in extended area is pending and port should not charge any lighterage charges in extended area. Earlier Port did not charge anchorage fees when they were charging lighterage charges. This provision should be brought in again and necessary amendment made. Port has now proposed to charge lighterage charges from GRT based to wharfage based which is incorrect. Thus for vessels which are paying lighterage charges this should not apply	No comments furnished.
	(k) Anchorage – Amendment should be done only after Port develops new anchorage points.	No comments furnished.
	(l). The new proposed charge of Transhipment / lighterage charges at ₹ 19.50 per tonne in Section 2.3(b) is cargo related and should be mentioned so. There is no reason why the port should increase the rate from ₹ 15 to ₹ 19.50 when it does not provide any services and when the issue is pending with TAMP/Court.	
	(m). increase of 30% as charges for attendance, cancellation and detention for a echan tug on requisition (Section 2.4A) attendance and Detention fees for Master Pilots and Pilots (Section 2.4B) and Attendance and Detention fees for Pilot in case of cancellation of movement of the vessel inside the port limits (Sec. 2.4C) with no new costs on infrastructure.	
	(n). "Fire Services stand by charges" are too	

	steep and after first 8 hours, hourly rates should apply and thus existing notes 1, 3 and 4 to stay.	
	(o) Notes on Anchorage – We recommend that the existing wording may be retained. If amendments are required Port should first declare Pilot Boarding ground as per Port plan in the extended Port limit as presently no services are provided by the Port like Pilotage or demarked anchorages	No comments furnished.
	(p) Port dues – As Port has not provided any improved services we see no reason for increase in these charges when port dues are payable has been removed. It has been always practice that port dues are valid for 30 days and if a vessel enters port again within 30 days, 25% of port dues are charged as concession and to attract more vessels to the port. Therefore, the concession should remain.	No comments furnished.
	(q) Berth hire – There is no justification for asking this increase as there is no improvement in port services and out turn of vessels and no infrastructure development rather supply of shore cranes which is in composite berth hire has deteriorated drastically and many berths are without shore cranes or cranes are not supplied as required and if supplied the same are not functioning properly	No comments furnished.
	(r). Notes 2(iii) should include "false singal" provision for sailing as in point No. (ii). It is from time vessel signals readiness to sail.	
	(s). In note 2(iv), MANSA recommends deletion of the world "only"	
	(t). In the existing note 2(v) under Section 2.16 (composite Berth hire charges) governing time limit of 4 hour for cessation of berth hire charges, the words "or due to absence of night navigation facilities" are added. This means that port agrees that their facilities are poor. MANSA recommends port should provide 24 hour services.	
	(u) Stevedoring rates – These are all inclusive rates but port is levying overtime charges without tamp approval. Port does not undertake any responsibilities apart from providing labour and supervisory staff and users have to fend themselves and owners are unable to fathom the fact that the port is official stevedores and principal has to pay for all extra equipment, supervision or damage to cargo or vessel. These rates are already very high and many cargoes do not use any port services and even when owners pay for mechanized discharging operations port still charges full stevedoring like dry bulk which includes fertilisers and bulk peas	BDLB is a separate entity having an annual expenditure of ₹ 154.43 crores and income generated from tariff is ₹ 62.16 crores for the year 2008-09. As such BDLB is running in 92% deficit. It is pertinent to point out that the existing stevedoring charges are inadequate to cover the wage bill cost of the workers and supervisory staff, thus resulting in deficit in the operating cost. In addition, provision is also required to be made for other expenditure of stevedoring activities, management and general administration and financial and miscellaneous expenditure. It is to be further pointed out that from the date of last revision of scale of rates i.e. from 31.12.2006 to

	etc.	31.12.2009, there is increase in the wages of the workers. Expenditure on this account will further increase due to implementation of the wage revision to the port and dock workers. Thus, 30% over-all increase in the stevedoring charges is even inadequate to cover the operating cost, resulting in increase in deficit. In fact deficit of BDLB is partly cross subsidized.
	(v) Floating Crane-There is no justification in increasing the rates. We request to amend the limit from 20 tons to 30 tons as mostly steel coils imports and exports are carried by modern vessels in the Units weighing more than 30 tons. Port has proposed 10 pct surcharge on heavy lifts. This is an extra burden and should not be allowed as the Port is not providing full service. Further the 5 pct concession which Port is providing should be brought into the SOR to make the concession transparent. Heavy lift surcharges are not applicable during 2nd and 3rd shift and on weekends and holidays. This Clause, we recommend to be brought in the scale of rates to make the provision transparent. [MANSA has furnished a statement showing the existing and proposed definitions and its objections / recommendations on the same]	24) Section 3.3 – floating crane"- Floating crane is maintained as an essential facility. This service is in deficit; even operating expenditure is also not recovered. Package weighing 20 tons:- The existing definition of heavy lift is in order and hence is not being amended from 20 tons to 30 tons. Concession may not be granted on individual services and if at all concession has to be granted, same are done by Board after due consideration based on merits of the case. Cargo handling activity is in deficit. As such the request of MANSA may not be accepted.
	Mumbai and Nhava Sheva Ship Agents Association (MANSA) (letter dated 17.1.2011) (additional comments of MANSA)	**MBPT letter dated 05.05.2011**
(i).	Clarity Needed on Port Dues Proper definition of Port Call / Port Entry of the vessel as "Per Voyage" is needed to remove the ambiguity of "Per Call" or "Per Entry". This needs to be clarified by the port. Similarly there is an anomaly in the Pilotage rates too where the charges for Sea to Stream to sea is lesser than the charges for shifting Stream to Stream.	MBPT Board has decided to express views of port and leave it to TAMP to take a decision on levy of Port Dues twice on vessels re-entering the port limits, after being moved out for reasons not attributable to the vessel, during the same voyage. In any case, pilotage and Towage charges will be leviable for each occasion if and when such service was rendered for moving out vessels beyond the Port limit
(ii).	Stevedoring Gear for handling Bulk Cargoes like Pulses, Sugar etc. on import The Stevedoring rates presently comprise the charges including the use of stevedores for trimming etc which is not done on imports. Also gear like grabs etc are supplied by receivers and port only books notional gangs and Port does not supply gear at all and therefore there is a need to bifurcate this charge to make provision for handling rate for such cargo from	On the issue of bifurcation of stevedoring rates for bulk cargo imports (with/without labour), even though the cargo is discharged by grabs, the existing manning for deploying On-Board staff continues. Major composition for stevedoring charges comprise manpower consisting of cargo handling workers, On-Board Supervisory staff, gear cost and documentation cost. It may not be feasible to accept the contention of MANSA to revise this

	export cargo were trimming gangs are additionally booked as in every case the gear is provided by the Vessel Operating Agent (VOA) himself or by receivers.	rate till such time the manning levels are reduced. On the issue of stevedoring gear for handling of cargoes like pulses, sugar, etc., the existing rates for stevedoring operations are without gear and separate ceiling rates for supply of gear has been prescribed and the vessel agent has been given liberty to bring his own gear for loading/unloading operation, in that case, stevedoring rates without gear will be applicable.
(iii).	Clarification required in charging Priority / Ousting Priority Charges Port should not charge such charges for Priority/Ousting Priority as the same was accorded to fertilizer and food grain vessels by the government as a special case and not for priorities accorded by the port. The port should plan properly if it is according priorities and with prior TAMP approval. It may also be noted that apart from other ports where many deep draft berths are available for over dimension vessels Mumbai Port has only one berth with draft of .5 meters and this berth apart from cargo vessels is also used for Cruise vessels.	The provision for ousting priority and charges to be levied from the vessel getting the benefit of ousting was proposed in line with the system prevalent in other ports and the one suggested by the Government for certain specified cargoes like fertilizers. On the issue of charging priority / ousting priority charges including for passenger vessels, the Government guidelines stipulate that whenever a priority is accorded either by the Government or by the Port authorities, extra berth hire charges, as applicable, are recoverable.
(iv).	Annual Schedules of Passenger Vessels The schedule of Cruise vessels is known over 2 years in advance and commercial vessels are aware of the schedule s of these ships from the MBPT website and from the port Traffic Dept office. Therefore it would not be appropriate to charge ousting charges to the cruise vessels who have applied for the BPX berth 2 years in advance and pay these charges for ousting a commercial ship which has been allotted a berth 24-36 hours prior to arrival of the cruise ships. The cruise ships have absolute priority and must be excluded from paying the ousting charges or port should plan proper berthing of vessels to avoid any ousting for Cruise vessels.	It is a fact that passenger vessels may have to be accommodated by shifting another vessel on arrival of the passenger vessel. The passenger vessel give their schedule well in advance. However, the shifting charges are against the cost incurred for the period and also on concessional rate. Hence the same may not be further relaxed.
(v).	Composite Berth Hire This system of composite berth hire was introduced by the Port ensuing adequate supply of Shore Cranes to the vessels and additional facilities are needed. However, at most of the berths 3Tand 6T shore Cranes have been dismantled. The composite berth hire therefore requires re-consideration, bifurcating and reducing berth hire charges by 18% at berths where effective shore cranes are not available based on previous ID and P&V ratio where initially ID vessels were charged US$ 0.09 per	MBPT has installed different cranes at different places. On the issue of bifurcating and reducing berth hire charges where shore cranes are not available, it is informed that some of the berths have shore cranes having capacity ranging from 3 to 16 tonnes and some the berths do not have shore cranes. Hence, it may not be possible to bifurcate the berth hire charges for different berths, specially, as some vessels are required to be shifted from one berth to another for operational reason. Further, in the project of development of Harbour Wall berths, higher

	GRT and PNV were charged US$ 0.07 per GRT as PNV docks did not have cranes.	capacity cranes are proposed to be erected. Many of the ships are using their own derricks for loading/unloading which is also due to the fact that these derricks are able to give better productivity for the tailor made cargo brought in by these ships etc. As such the cranes and the equipment of MBPT gets idle. Hence also there is no justification for re-looking on the reduction of berth hire charges on this account.
(vi)	No Infrastructure Developments done by the Ports. There has been no infrastructure development done by the ports to increase facilities and improve productivity. Deficits are covered by the port by raising rates rather than improving efficiency.	Infrastructure development projects already commissioned and to be commissioned in next two years.
(vii).	5% Surcharge on Heavy Lift weighing 20 T and more a) Request for abolition of 5% surcharge on the Heavy Lifts as port floating crane is ineffective in comparison with private facilities. b) In case the Port is not agreeable to remove the surcharge altogether, the definition of Heavy Lift tonnage to be increased from 20t to 30t and above. c) Alternately raise the definition of heavy lifts to cargo above 30 tons. d) Also Port can only provide one floating crane only in day shift and none on Sundays and holidays. While surcharge is charged on quantity discharged by full ship all hatches included discharged in day shift while floating crane can only discharge one hatch.	The request of trade seems to be justified and accordingly necessary changes have been made in the proposed S O R.
(viii).	Removal of all Confusive Clauses of the relevant Section in the DSR Non Charging of Berth Hire Charges after 4 hours of readiness of vessels to sail (at. S O R Chapter II Clause 2.16 Notes (i) to (v) to be deleted and to be redefined to remove ambiguity). Moreover Berth Hire to cease 4 hours after readiness declared to the port irrespective. A clear provision is needed to be defined in the Scale of Rates so that no Berth Hire Charges are recoverable after 4 hours of the vessels readiness to sail.	Notes (i) to (v) under clause 2.16 are prescribed by TAMP vide its orders dated 4th February 2000 and 19th July 2000, which are commonly applicable to the major ports including MBPT.

6.	**Indian Shipbreakers Association**	MBPT letter Dated 23 March 2010
(i).	The prevailing high scale of rates for ship scrapping was the reason for the closure of ship scrapping activity at MBPT during the last three years. Due to recession in the Global Market & drop in price has improved the situation which is temporary in nature and it should not be used as tool to increase the scale of rates.	In the general revision of SOR, 30% of upward revision of tariff is proposed. Accordingly, ship breaking charges have been increased by 30% in the proposed revision. Ship-breaking service is in more than 30% deficit.
(ii).	MBPT must reduce the rate at least by 30% for the vessel size from 4000 LDT. Smaller vessels are paying much less total charges when compared to bigger vessel for the same plot and period and charges should be on 50% of LTD of the vessel and not on total LDT of vessel since LDT is being cut and delivered on daily basis. Or some other formula wherein charges can be levied on reducing quantity and we suggest not to increase any rates at present.	The shipbreaking charges are levied based on LDT and hence the charges for bigger vessel be higher. Further, it is necessary to point out that the rebate given to the bigger vessels for completing breaking within the regulated period is higher compared to the smaller vessel. For carrying out ship breaking activity, one plot per vessel is allotted to the ship breaker. The plot allotted for ship breaking remains in possession of the ship breaker till the completion of the ship breaking and removal of broken material from the plot. The possession of plot remains with the ship breaker during the entire tenure of ship breaking. The charges are levied for the occupation of the plot by the shipbreaker for his ship-breaking activity and the plot cannot be allotted in slices. Hence, the Indian Ship Breakers Association's request to levy 50% LDT of the ship or on reducing quality is not logical and acceptable. At present, 12 plots at Lakri Bunder (South) having area ranging from 742 sq. mtrs. to 1170 sq. mtrs. and 5 plots at Powder Works Bunder having area ranging from 2339 sq. mtrs. to 3179 sq. mtrs, are allotted to ship breakers for carrying out ship breaking activity. The port is not trying to take advantage of the increase in ship-breaking activity, but it is a general revision of rates.
(iii).	We request to charge separate charges for sea and hard. Once vessel is not in sea, the sea charges should be stopped since other vessel is already beached and it amounts to double charges from two vessels for the same sea front.	Request to charge for sea and hard is not acceptable as permission for breaking of next vessel is granted only after the complete removal of material of the earlier vessel. Further the beaching of next vessel behind the vessel undergoing breaking is allowed only on the ship breakers request and ship breakers have choice to wait in anchorage stream before completion of breaking of previous vessel.
(iv).	The industry has strong objection to increase the initial regulated period considering 900 LDT per month instead of 800 LDT. It should remain unchanged.	The shipbreakers are breaking on an average more than 900 LDT per month therefore, the increase of LDT from 800 MT per month to 900 MT per month is justified.

7.	**The Shipping Corporation of India Ltd.**	MBPT letter Dated 23 March 2010
	The existing rates of Mumbai Port Trust are very much on the higher side compared to JNPT, Mangalore and Vizag etc. and therefore it is not logical to agree to any further increase in MBPT charges which is adversely going to affect the trade.	The comparison of various vessel related charges currently levied by other major ports referred to by the Shipping Corporation of India does not seem to be taken after considering the capital investment and cost of operations at individual ports. The following points are relevant in this respect between ports to port. * Capital investments by oil companies vary from port to port. * Lengths of channel differ from port to port. * Cost of maintaining VTMS differs from port to port. The following are the various capital investments made by Mumbai Port. 1. Two Harbour Tugs of 45 Bollard Pull are continuously maintained at Jawahar Dweep on contract basis assuring the availability of Harbour Tugs for 365 days. 2. Oil terminal is maintained more or less as captive terminal in Mumbai Port. 3. Jetties have been refurbished with all modern equipments. 4. Fire fighting systems have been totally renewed on all the jetties to cope up with any fire eventualities. 5. Four new Pilot launches have been inducted which provide better service to vessels especially with regard to boarding and disembarkation facilities. 6. MBPT Fire Services Personnel have been sent for enhanced training and are now providing better and more alert services. 7. Yokogowa Fenders are being changed more frequently. 8. Two more powerful Mooring Launches added. 9. Adequate Dock Tugs are available with the addition of two Harbour Tugs in 2005.

<table>
<tr><td></td><td></td><td>10. Under ISPS, the port has to incur huge costs for surveillance and port security. The port has to pay for CISF induction and also CCTVs. Many of the personnel have to be put on overtime for close monitoring of traffic.

11. Oil Reception facilities have been upgraded. Garbage collection has been added. Term-I facilities are being created to avoid pollution.

12. MBPT has spent ₹ 204.47 crores only for modernizations of Jetty 1, 2 and 3 at JD.

In view of the heavy capital investment made as detailed above, 30% increase in the vessel related charges proposed is in order</td></tr>
<tr><td>8.</td><td>Hindustan Petroleum Corporation Ltd.</td><td>MBPT letter Dated 23 March 2010</td></tr>
<tr><td></td><td>A comparative statement showing total port charges currently levied by various major ports for a crude oil vessel MT “Lance Nayak Karam Singh” with GRT 37855 on coastal trade basis as well as foreign trade basis is given below. From this it can be seen that without this proposed revision itself, Mumbai Port Trust is charging almost double the rates currently charged by other Major Ports.

<table>
<tr><th>Sl No.</th><th>Name of Port</th><th>Port charges for coastal run (₹)</th><th>Port charges for foreign run (U.S.$)</th></tr>
<tr><td>1</td><td>JNPT</td><td>665623</td><td>28634</td></tr>
<tr><td>2</td><td>(Jawahar Dweep) MBPT</td><td>1730208</td><td>65416</td></tr>
<tr><td>3</td><td>Cochin</td><td>1146508</td><td>45464</td></tr>
<tr><td>4</td><td>New Mangalore</td><td>605952</td><td>27832</td></tr>
<tr><td>5</td><td>Chennai</td><td>995663</td><td>40560</td></tr>
<tr><td>6</td><td>Vizag (OSTT)</td><td>851604</td><td>37095</td></tr>
<tr><td>7</td><td>Halidia</td><td>916898</td><td>47286</td></tr>
</table>

Mumbai Port Trust’s charges are exorbitantly high and further upward revision is not at all justifiable.
Oil industry is facing severe cash crunch and will have to look forward for alternate arrangements or shifting to other ports for survival, unless MBPT brings down their charges comparable to other Major Ports.</td>
<td>The comparative statement showing total port charges currently levied by various major ports worked out by HPCL does not seem to be taken after considering the capital investment and cost of operations at individual ports.

The following points are relevant while preparing statement between ports to port.

* Capital investments by oil companies vary from port to port.

* Lengths of channel differ from port to port.

* Cost of maintaining VTMS differs from port to port.

* JNPT is predominantly a container port.

* Comparative position of wharfage rate for crude oil is given below.
<table>
<tr><th>Sr.No.</th><th>Port</th><th>Crude oil rate ₹</th></tr>
<tr><td>1</td><td>Mumbai (existing)</td><td>52.1</td></tr>
<tr><td>2</td><td>New Mangalore</td><td>70</td></tr>
<tr><td>3</td><td>Cochin</td><td>65</td></tr>
<tr><td>4</td><td>Visakhapatnam</td><td>57.5</td></tr>
<tr><td>5</td><td>Kolkatta</td><td>76.5</td></tr>
</table>

MBPT has spent ₹ 204.47 crores only for modernizations of jetties 1,2 and 3 at JD.</td></tr>
</table>

		Various facilities have been provided at Jawahar Dweep and Pir Pau as detailed against Sr.No.(7) above.
9.	**Mumbai Bunder Launch Malak Mahasangh and Gateway Elephanta Jal-Vahatuk Sahakari Sanstha Maryadit**	MBPT letter Dated 28 April 2010
(i).	License fees for Water Conveyance for Harbour Crafts have been increased by 100% which is unreasonable and unrealistic. Due to National / International market recession, our business has gone down by 40%.	The categories of vessels falling under the section License fees for water conveyance has been simplified and average rate of existing rates with 30% increase against general revision is proposed at ₹ 38/- per GRT. Hence the statement made by Mumbai Bunder Launch Malak Mahasangh is incorrect.
(ii).	Every time increase in Water Conveyance is unreasonable, because the MBPT have not given any additional facilities to the Mumbai Launch Owner. It is a fact that the facility or infrastructure provided by Britishers still exists and in last 60 years MBPT has not added any facilities to help to smooth operation of the launches either at Ferry Wharf, Ballard Pier or Gateway of India. There is also no proper facility at Darukhana for Dry Docking of launches on hard and basin and the conditions are deteriorating year after year.	During the monsoon period the siltation in Bunder area is more due to regular floods from the Thane creeks. However the dredging is done regularly thereafter to clear the siltation and maintain designed draft. The port at Bunder area has dredged 231566 cubic meter in 2007 – 08 and 439949 cubic meter in 2008 – 09
(iii).	Under miscellaneous charges towards License fees ₹1000/- will be levied for Harbour Cruise parties. This charge is unreasonable as it is under our license to ply and carry passengers and we do not require permission for harbour cruise as we are carrying only passengers.	License fees for Water Conveyance charges are recovered from crafts once in a month under which they are allowed to ply within the harbour and carry passengers. But Harbour Cruise parties are arranged for entertainment and purely on commercial basis. This type of activity does not involve cargo operation or carriage of passengers from one place to another. Hence charge of ₹1000/- per cruise party is justified.
10.	**Indian Bargeowners' Association.**	MBPT letter Dated 28 April 2010
(i).	Shipping industry is going through a lean patch. To give some relief to the affected industries, even developed countries like the U.S., U.K., Germany, Japan etc. are extending bail-out packages which include cash support, tax benefits, reduction in the various charges levied on the industries etc. The freight rates have fallen due to decrease in demand and consequent availability of additional tonnage. We in the barge industry have consequently been sucked into this whirlpool. There is no employment for the barges but the expenses keep mounting up. The port at least should have come to our rescue by waiving off some charges or reducing certain other charges thereby give some relief to	The comprehensive revision was due from 31.03.2009. However due to global recession, the proposal was withdrawn and existing rates retained upto 31.3.2010. Even port has to bear the burden of recession and global slowdown. Further, there has been a wage revision, which too needs to be addressed. Comprehensive tariff proposal is sought as per guidelines and based on cost plus approach. MBPT has proposed only 30% increase. Even after considering proposed increase by 30%, the 16% ROCE is not going to be recovered.

	the beleaguered barge industry. The port has not incurred any capital expenditure over the years for the benefit of the barge operators. The conditions at the Bunders are very bad, there is no basic amenities provided, there is high accumulation of silt thereby reducing the draft and affecting navigation, pathetic condition of the roads et al.	
(ii).	The expenses incurred on account of Dredging for the years 2007-08 and 2008-09 are ₹ 19.68 crores and ₹ 30.00 crores respectively. But none of the Bunder areas has been dredged for the past several years. Fees recovered on account of Bunder traffic are being diverted to other facilities and areas. The quantum of dredging for 2007-08 and 2008-09 are 24.60 lac M^3 and 37.50 lacs M^3. However, the silt removed from the Bunder areas is hardly any.	The contention of the Indian Barge Owner's Association that the MBPT is not carrying dredging in Bunder area is not correct. MBPT does the dredging in Bunders every year and maintains the designed draft at all times. During the monsoon period the siltation in Bunder area is more due to regular floods from the Thane creek. However, dredging is done regularly thereafter to clear the siltation. The Port has dredged 231566 cubic meter of bunder area in 2007-08 and 439949 cubic meter in 2008-09. It is, therefore, incorrect to say that the bunder areas have not been dredged.
(iii).	The port wants to treat the bunders on par with Docks and apply the Dock scale of rates to the bunders as well. The traffic handled at the bunders is 4 million tons annually, that is, about 50% of the traffic at the Docks. That being so, it is not understood as to why the bunder areas are not dredged and the facilities improved. At the bunders all loading and unloading operations are carried out by the private operators with their own labour whereas in the docks manpower is supplied by the port. Wharfage charges include labour cost and since labour is not supplied by the port at the bunders, wharfage should not be increased. At the Bunders no shore or supporting equipments are provided by the port. Private operators use their own equipments. In the docks the port provides such equipments like shore crane, mobile crane, forklifts, etc. There is a vast difference in the facilities available and equipments provided by the port in bunders and in the docks. Therefore, the definition of docks should exclude the bunders as they are as dis-similar as diamond and charcoal even if both have the same origin (carbon)	Rates prescribed at Bunder and MOT at JD & Pir Pau has been brought at par with the rates applicable at Docks by merging those with the respective sections of present SOR. Due to this wharfage rates for cargo handled at bunders will increase beyond 30% of the proposed general increase. . Major traffic handled at bunders is coal cargo. Therefore, the impact will be mainly on coal cargo, an increase of 92% in wharfage on coal at bunders due to rates prescribed at Bunder has been brought at par with the rates applicable at Docks by merging those with the respective sections of present SOR.
(iv).	The port has proposed to increase the licence fees for water conveyance to ₹ 50 as against the existing charge of ₹ 32.40 per GRT per	The rate of ₹ 50 as stated by IBOA are incorrect. MBPT has spent nearly ₹14 crores per annum at the Bunders as against income

	month for the barges, an increase of 55%. The existing charge itself is not justifiable as the port is not incurring any expenditure at the Bunders towards dredging, jetty maintenance or reconstruction, etc.	of ₹ 8.64 crores. Hence the upward revision beyond 30% is justified.
(v).	Miscellaneous charges towards License Fee are a new charge proposed to be introduced. Barges are already paying water conveyance charges along with Port dues on GRT basis. Therefore, this proposal should be scrapped.	Charges for supply of water by licensed agencies for use of MBPT facilities is to bring the activity under regulatory framework. The rate is for use of port facilities for rendering the service.
(vi).	Clause 2.4.4, 2.11.1 and 2.11.6 of the tariff guidelines are illustrative of the fact that costs of services / facilities provided by a port to the parties is one of the basic parameter for fixation of tariff. MBPT has prescribed charges for supply of water by the licensed agencies at the rate of ₹ 30 per 1000 liters for use of MBPT facilities. The application of ₹ 30 per ton is totally unreasonable, arbitrary without considering the cost borne by the port for the facilities used by the agencies licenced to supply water. The port has not created any facility to supply water to vessels in stream.	No comments offered
(vii).	Open Bunders which are shallow and unprotected, are earmarked for allowing water barges to come along. These barges receive water from own sources – Usually, the barges are berthed one after another in the manner of double banking, triple banking etc. and thus 3, 4 barges simultaneously use the berthing space. Further, the bunders are tidal which restrict the movement of the barges causing avoidable delays to the barges. For the use of bunders, we are required to pay water conveyance charges on barges which is @ ₹ 27 per GRT per month. Further, separate charges are being paid for berth hire @ ₹ 5.417 per GRT and towards port dues @ ₹ 4.08 per GRT. Payment has to be made towards lorry permit for allowing water tankers to come to bunders. No labour is supplied by MBPT for this activity. No other port facility is used by us. There is no additional expenditure incurred towards maintenance of these facilities by MBPT. Prior to the current SOR which has come into effect from 31-12-2006, there were no separate charges prescribed towards this activity. Only charges in the form of water conveyance, berth hire charges and port dues. In fact the levy for water supply was introduced	No comments offered

	w.e.f. 31-12-2006 without any discussion by port or during TAMP's hearing. There is no clear explanation as to for "what use of MBPT facilities" this charge is recovered. It is not clear whether the levy is for manpower or road, or waterways or jetty. Now the port has attempted to increase it to ₹ 39 per ton. In view of the above, this charge has to be abolished.	
(viii).	The port has proposed a rate of ₹250 per MT for supply of fresh water at berth. If accepted, then the private suppliers will have to charge ₹ 400 per MT (inclusive of Levy to the port and barging cost). This is a sure incentive for vessels to avoid coming to Mumbai Port thereby speed up the demise of this port.	No comments offered
(ix).	In Darukhana there is utter lack of any facility for repair work. There is heavy siltage, inadequate space, bad roads, pilferage by people living in unathorised shacks all around the area (which the Port is not able to clear), no water connection, etc. There is no proper mooring gear on the wharf like bollards, capstans, hooks, etc. But the Port wants to apply the Dock rates to the Bunders as well.	No comments offered
(x).	Bunders have inferior facilities as compared to those available at the Docks. Therefore, wharfage has always been far lower at the Bunders than at the Docks. By proposing same rate of wharfage the net increase in Bunder tariff varies from 316% to 527%. It is our assessment that at least 50% traffic will come down.	No comments offered
(xi).	In the existing tariff, hazardous cargo is charged ₹ 15.00 as compared to ₹9.00 for non-hazardous cargo, which is correct. However, in the revision asked for, the port has proposed a rate of ₹ 19.50 for hazardous cargo while at the same time asked for ₹ 39.20 for non-hazardous cargo.	No comments offered
(xii).	The proposed increase in demurrage is 875% for non-hazardous cargo.	No comments offered
(xiii).	The current rate of ₹ 3.75 per GRT per day for construction & repair of vessels is itself without any commensurate service or facility provided by the Port. The increase to ₹ 4.88 is unwarranted.	No comments offered
(xiv).	Presently for areas allotted to users in the Bunder areas, the port charges casual occupancy charges (COC) as provided in Appendix 'A' to the General Byelaws Clause 9. There are different rates for areas falling under different locations. There is no provision in the subsisting SOR for the payment of COC.	The rates approved by Board for Casual Occupancy has been incorporated in the Scale of rates for transparency and authority for the levy

	In the proposal submitted, the port has brought this payment of COC in the SOR and has also sought an upward revision. While the present rate under the General Byelaws is ₹ 2 per sq. mt. per day, the port has asked for rates ranging from ₹ 4 to ₹ 5 per sq. mt. per day i.e. an increase of 100% to 150%. This is too steep an increase.	

2. A joint hearing in this case was held on 18 January 2011 at the office of this Authority. The MBPT and the concerned user organizations have made the following submissions:

MBPT

1. We will update the cost statements and furnish estimates for 2013-14 also.

2. Average revenue at the existing tariff is ₹ 173/ton whereas expenditure and return is around ₹ 251/ton. We propose to bridge the gap partially by the proposed revision of tariff.

3. We have considered actual pension payments and not included contribution to Pension Fund, as it will put additional burden on users.

4. We don't expect any significant increase in traffic in the next two years, as many of the developmental projects are still underway.

5. Wage revision for Class III and IV is due from 1 January 2012, the effect of which is not captured by us in the estimates.

6. Our Pension Fund liability is around ` 6000 crores but the present accumulation is ` 4000 crores which leaves a shortfall of ` 2000 crores.

7. We will review the proposed capital additions and furnish realistic position along with updated cost statements.

8. The proposed SOR is prepared in a comprehensive manner and to cover all areas excepting Estate and Railway operations.

9. Our main cargo is POL and the rate is not revised for the last 11 years. Oil cargo has to cross subside general cargo, otherwise increase in general cargo will be very high. Please allow cross subsidisation by oil cargo, atleast for one tariff cycle.

MANSA

10. MBPT should attempt to develop infrastructure to boost volumes and improve productivity. Tariff revision is not the only way to raise revenue.

11. Investment in OCT and deepening of Channel should be treated separately. The extra volumes should pay for it, not the existing traffic.

12. Neither any new investment is made or is any facility available at Bunders. There is no justification in terms of cost / facility / productivity to the proposed move to equate bunders and docks tariff.

13. The port does not supply fresh water but levies ` 30/- per tonne. Similarly lighterage charges are levied without any service from the port. TAMP should stop such charges which are being levied without any services provided.

14. Please increase 'heavy lift' limits to 30 tonnes.

15. Composite berth hire includes supply of two wharf cranes. The port should allow discount in berth hire for those berths where the Port does not supply wharf cranes.

16. There are numerous conditions in the Scale of Rates which are either redundant or unreasonable. Port has not attempted to rationalise the conditionalities.

17. When naval exercise is undertaken all vessels are moved out. But the Port demands port dues again when the vessels come again to continue with the unfurnished operation. This is unreasonable.

18. Shifting charges from docks to outsides and anchorages to outside can't be the same. The efforts and distance are not the same.

19. Priority / ousting priority proposal should be examined by TAMP closely, as the facilities available is limited.

20. Port never pays penal interest on delayed refund, though the Scale of Rates requires so.

BCCI

21. In case of Ro-Ro vessels, no on board labour is supplied. But when Bulldozer, pay loader, etc, are loaded on to ships, the port classifies them as machinery and demand on board charges. This is a wrong classification. The SOR should exempt all vehicles which are rolled on to a vessel.

ONGC

22. Compensation charges levied by MBPT for pipeline transfer is not reasonable. (MBPT says, we have created various facilities, ONGC should use. We are however, willing to consider volume discounts).

23. Even for the cargo loaded in JNPT, we are forced to pay compensation charges to MBPT.

INSA

24. We endorse the views of MANSA and Barge owners Association.

25. We will furnish our written submission.

Indian Barge Owners Association

26. Facilities available at docks and bunders are not the same. No justification to equate tariff.

27. About 40% traffic of general cargo is in Bunder. Port has not carried out any development works. At bunder, trade puts labour and equipments. Even security is arranged by us.

MBPT

28. We have laid road from Reay Road to Bunders. Some departmental dredging is done at Bunders.

MANSA

29. Almost all approaches to Bunders are encroached. Entry into bunders is difficult.

MBPT

30. We will review our proposal to equate rate of bunders and other places and will submit a detailed note on Bunders. Mumbai Port to examine all points made by stakeholders in written submission.

Indian Barge Owners Association

31. Number of registered barges has gone up. No justification to increase Water Conveyance charges.

32. No services are provided by Port to justify levy of water charges of ` 30/- per tonne or charges on ship's stores.

Shipbreakers Association

33. We request the existing charges should be retained in order to attract business.

34. In case of delay on vacating the plots, the port should levy penal charges only on the work remaining incomplete, but not on the whole ship.

35. If MBPT does not invest in development of common facilities required for ship breaking, the ship breaking activity at the port may be in danger of closure, as per the new regulations being introduced under the directions of the Hon'ble Supreme Court.

Launch Owner Association

36. We don't get any facilities from MBPT which are required for our operations. MBPT should improve the facilities.

Sassoon Docks Association

37. MBPT does not even clean the docks. No supply of water is done by MBPT. Not even a proper drainage is available. Why the Port should collect charges when it provides nothing in return?

MBPT

38. Our proposal is cost based. The charges which referred by MANSA as notional, have a fixed cost element and overheads.

39. We will relook into the existing 'heavy lift' limits.

40. In the past also, the vessels taken out for naval exercise were paying second port dues. This practice continues.

41. We will also review the proposed charges for vessel shifting from anchorage to anchorage.

3. After the joint hearing the MANSA vide its letter dated 20 January 2011 made submissions. The submissions made by MANSA were forwarded to MBPT. The MBPT responded vide its letter dated 5 May 2011. The submissions made by MANSA and the response of MBPT are summarized below:

Sl. No.	Comments of the Users	MBPT's Comments
	Mumbai and Nhava Sheva Ship Agents Association (MANSA) (letter dated 20.1.2011)	
(i).	**Adhoc Increase of 30% in the Dock Scale of Rates is not justified** There is no justification for stipulating high rates for cargoes handled in the Port Adhoc increase by additional 30% in the already existing high rates is not at all viable for the Port to sustain its traffic. We therefore strongly urge that there is a case for review and reduction in these rates.	Considering the financial position for the year 2009-10 at actuals and revised budget for the year 2010-11, revised budget for the year 2011-12 and projected for the years 2011-12 & 2012-13, the increase in tariff required works out to 76% to achieve 16% ROCE. However, in view of growing competition, possible diversion of cargo etc. an increase of 30% is only proposed.
(ii).	**Clarity Needed on Port Dues** The definition of the Port Call should be "Per Voyage" so as to remove the ambiguity of "Per Call" or "Per Entry". • Port dues are being charged twice if a vessel is removed to BFL and returns to complete cargo work or formalities etc. This should be treated as single voyage only. • Pilotage and Port Dues being charged for vessels removed from the Anchorages for naval firing practice which is for the Port convenience and not at the request of the User are not justified. Hence this should not be charged. • Movement of vessels from one anchorage to another (single move) is being charged more than pilotage from sea to stream and back to sea because the only shifting clause mentioned in the S O R is shifting from Berth to Berth and there exists no clarification in this regard. Hence we request for clarification and proper provision to be made.	MBPT Board has decided to express views of port and leave it to TAMP to take a decision on levy of Port Dues twice on vessels re-entering the port limits, after being moved out for reasons not attributable to the vessel, during the same voyage. In any case, pilotage and Towage charges will be leviable for each occasion if and when such service was rendered for moving out vessels beyond the Port limit,
(iii).	Recovery of Stevedoring Charges on Vehicles The provision made under Item 2.2 of the Dock Scale of Rates "Charges for handling Onboard Stevedoring services for Vehicles like Fork Lifts, Bulldozers, Tractors etc. are being treated wrongly as machines which is a very high per ton rate" It is suggested that vehicle should include Bulldozers, Forklifts, Tractors, Cranes, Military Tanks and Tracked Vehicles and any other Vehicles rolled on / rolled off" from the ship.	As per the definition under Section 1(10)(A) of Docks Bye Law, "Vehicle" includes any cart, carriage, lorry, truck and other wheel contrivance used for transportation by road of human being or of property. In the schedule of onboard stevedoring services "bull dozers, forklifts, tractors crane etc." are included in commodity "vehicle" at Sr.No.7 to have better clarity.

(iv).	Penal Interest for Delayed Refunds We request penal interest for delayed refunds must become effective 30 days after service rendered irrespective if all the documents are submitted or not. Document submission can be ensured before rendering all the services.	The request of MANSAA to give interest on delayed refunds can not be agreed to.
(v).	Bunder Scale of Rates viz-a-viz Dock Scale of Rates As discussed in the Joint Hearing, we are surprised to note that MBPT has proposed to merge BSR into DSR without analysing the consequential anomalies and tremendous burden that would be passed on to the Bunder traffic which would result in vanquishing effect on the traffic. To merge BSR with DSR, all facilities available in the Docks shall have to be made available at the Bunders viz. Maintenance of the Jetties should be as in Docks; Crane facilities at the Bunders should be as in Docks; Storage facilities at the Bunders should be as in Docks; Dredging of navigation channels & at the sills should be done as in Docks. Mooring facilities should be as in Docks; Security of the Goods/vessels should be as in Docks; Liability for cargo at Bunders should be as in Docks. Till such time all the facilities at the Bunders are not on par with those available in the Docks, Bunders should be treated separately and charged separately at rates much lower than at the Docks. Port cannot ask Bunder users to pay Dock charges right away as this would amount to financing the Port for creating facilities. Levy on Fresh Water Suppliers - This is a totally unwarranted charge. The Port is not giving the Licensees any facility. Such facilities as given are already charged and no facility is given “free of charge”. As we see, the Port has done nothing in this regard and is levying this charge just to augment its revenue. This is totally unjustified and, therefore, this levy should be scrapped. We view this as a very unrealistic proposal leading to complete breakdown in bunder activities. The Port has not planned any massive development plans of Bunders. Presently, Bunder Quay Lengths and Wharves have	The rates at Bunders on par with Docks was proposed considering uniformity and shifting of cargo from Docks to Bunders and lower revenue to port on account of zero stevedoring revenue and berth hire at bunders. Considering the objections raised by the trade and review suggested by TAMP, the Board considered the same and proposed for wharfage and demurrage at bunders be fixed at 50% of the rate applicable at Docks subject to the same not less than that present rates at bunders. MBPT will improve facilities at Bunder area such as:- (a) Repairs to roads. (b) Repairs to wharfage and Quay Wall (c) Dredging to the extent possible (d) Security services It can be further emphasized that there is likelihood of shifting of cargo from Dock areas and harbour wall berth on account of taking up of project during the tariff validity period. There are no stevedoring rates at Bunders and also no separate berth hire charges are levied for occupation at Bunders other than monthly license fees charged on the barges. Hence the proposal is justified.

	disappeared and almost every Bunder has been encroached upon by unauthorized hutment dwellers. The approaches to the Bunders have become very muddy and full of silt. To bring in to the shape of these Bunders it requires massive investment and executive skills. Port cannot think of raising any rates on Bunders as it does not provide any services except recovering Bunder Dues and providing some landing spaces. Hence we request that no mergers of the two S O R be allowed.	

4. As decided at the joint hearing, the users furnished their comments on the port's revised proposal which were forwarded to the port for remarks. The comments of the users and the remarks furnished by the port thereupon are juxtaposed below:

Sl. No.	Comments of the Users	MBPT's Comments
1	**Mumbai and Nhava Sheva Ship Agents Association (MANSA) (letter dated 9.5.2011) (On revised Proposal)**	
(i).	Increasing the tonnage limit from 20t to above 30t in the Heavy-lift Surcharge. We submit, the surcharge should not be applicable for packages above the port's Floating Crane capacity and for over 30 tons during night, weekends and holidays when the Floating tation at the billing stage please. Crane is not in operation. This needs to be specifically stated in TAMP's Order to ensure the required clarity for implementation at the billing stage.	The tonnage limit in the heavy lift sur-charge has been proposed to be increased from 20 T to 30 T. All the existing conditions have been retained in the proposed SOR.
(ii).	Continuing the provision of not charging Composite Towage & Pilotage charges whenever the shifting of vessels are for Port convenience as has been envisaged in 9 situations detailed in the S O R. This includes the movement of vessels to extended port areas or outer roads when the port is unable to keep the vessel at berth or inner anchorage. Here, it is important to emphasise and add the clause that there will be no charge for vessels shifted out and brought back for the convenience of naval exercises/firing practice.	Provision of not charging composite towage & pilotage charges whenever the shifting of vessel are for port convenience has been envisaged in a situations detailed in S O R. However request of MANSA not to charge composite towage & pilotage charges for vessels shifted out & brought back for the convenience of naval exercise & firing practices is not acceptable. In any case the services of pilotage are rendered and thereafter the charges are levied. Hence, MANSA's request is not justified.
(iii).	Some of the definitions have been amended which are not appropriate and require consideration. we recommend the following amendments in the definitions: "Cold Move" shall mean the movement of vessels without power of the main engine in operation. If the main engine is not working even if subsidiary engines are working to support generators etc. the vessel cannot be moved without the help of tugs etc. and hence we propose the earlier definition be retained.	The definition of 'cold move' has been taken from the Model Scale of rates. TAMP may take a view.
(iv).	As per the existing provision a foreign going	The condition to levy coastal rates may be

	vessel of Indian Flag having a General Trading Licence can convert to Coastal run on the basis of a Customs Conversion Order or on filing of Coastal International General Manifest in Coastal Establishment Section of Customs Department and a foreign going vessel of Foreign Flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping. In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods but only till the vessel completes coastal cargo discharging operations and immediately thereafter, foreign-going rates shall be chargeable by the discharge ports. MBPT has proposed to introduce conditionality to the effect that for vessels visiting the port other than for cargo operations the benefit of coastal rates from the time the vessel starts loading coastal goods till the vessel completes coastal cargo discharging operations shall not apply. Mostly vessels visit the port for other than cargo operations for bunkering, repairs, safe anchorage in foul weather and when in distress. If the proposal of the port is accepted, a vessel plying on a coastal trade (say coastal movement from Mormugao Port to Kandla Port Trust,) comes to Mumbai port in the situations mentioned above, she will be treated as a foreign vessel. When coastal vessels visit the Port for such non-cargo operation, coastal rate should continue to apply. Since the vessel in the stated example is on coastal run she should continue to remain so even when visits the port for the non-cargo operations listed above.	clarified by TAMP.
(v).	The delay in refunds by the Port be counted beyond 10 days from the date of completion of services or production of all the documents required from the User whichever is later. Delay in intimation from Port for documents not to be counted within the10 days.	The existing condition regarding interest on delayed refunds by Port has been retained. Same is also as per the Model Scale of Rates. Hence TAMP may review.
(vi).	Shifting Charges from Anchorage to Anchorage: Composite Pilotage & Towage charges are stipulated under Chapter 2.2 and a separate provision is provided to recover Shifting Charges as $=0.1119 per GRT when the vessels are shifted from Berth to Berth with tug assistance. We observe that movement of vessels from one Anchorage to another (single move & without tug assistance)is being charged the same charge as berth to berth with tug assistance because the only shifting cost mentioned in the S O R is shifting from berth to berth . This rate is more than the Pilotage from sea to	Shifting Charges from Anchorage to Anchorage: Shifting charge is already subsidized at anchorages and hence no further reduction is justified.

	stream and back to sea. Shifting from one anchorage to another without tug assistance should be 50% of the charge from sea to stream to sea. We therefore request TAMP to consider this point and specify in appropriate lower shifting charge for operations from Anchorage to Anchorage.	
(vii).	Port has proposed berth hire charges at different categories of berth for other than cargo operations. We suggest that Berth Hire charges shall be recovered: (a) Upto15 days (instead of 10 days) for occupation of Berth hireCharges at normal Berth Hire Charges. (b) From16th– 30thday occupation of berth @ 150% of normal berth hire charges. (c) After31stday of the occupation of the berth @ 200% of normal berth hire charges. This has been suggested because no vessel wants to occupy berths unnecessarily and Port does not provide any additional facility.	Commercial dock berths are essentially for cargo vessels. The hike in the berth hire charges is, therefore, justifiable in as much as the vessels occupy crucial berths which at times necessitate shifting of other vessels from one berth to another berth. Further it is observed that vessels carrying out repairs which avail of Dry Dock facilities, the tariff for which is quite high. Almost, similar nature of work many a times carried out in the Wet Docks just because there is no time slot available in the Dry Dock as also the Dry Dock tariff is very high. Repair vessels once occupying the berth cannot be shifted to any other berth. The stay of vessels carrying out repairs at the wet docks needs to be regulated. It is, therefore, necessary that tariff for vessels calling at Port for other than cargo operations should be increased progressively beyond certain period. Period of 10 days, 20 days & from 21st days are reasonable and are for regulation of Dock Berths.
(viii).	Stevedoring Rates on Steel Cargo: As already submitted before you, due to the ambiguous definition and the provisions in the DSR, steel cargoes like plates, pipes, angles and billets are wrongly charged as project cargo. This ambiguity needs to be completely removed. The steel cargoes are being classed recently by the Port as project cargoes because they are manifested as boiler plates or pipes being imported for pipeline projects etc. By no stretch of imagination can such cargoes be deemed as project cargo. Even though Port Authorities principally agree to our stand but no cognisance is taken when applying the wrong rates. We, therefore, request TAMP to give clear directions, in the Order that the following items be categorised as steel cargo: Steel Plates:(including Hot Rolled Shipbuilding Plates, Ship building/Boiler Quality Steel Plates/Steel Bulb Flat Bars, Steel Flat Bars, Steel shoe sections Prime Flat Rolled Ship Builder Plates) Pipes: Seamless Tubulars, DIL Well Drilling Equipment Pipes, Steel welded tubulars (these	Stevedoring Rates on Steel Cargo The rate of machinery/project cargo is applied for certain items of steel cargo on the basis of its specification in the IGM viz. ship building quality, boiler quality or consigned to project work. TAMP may take a view.

	are normal pipes)	
(ix)	Stevedoring rates on vehicles: We submit that the description of vehicle as shown under Section 2.16 Sr. No. 7 be re-worded as under to remove the ambiguity: Vehicles including bull dozers,militarytanks, forklifts, tractors, mafis, cranes, etc. less than 10 tonnes, by RO RO operations. icles including bull dozers, militarytanks, forklifts, tractors, mafis, cranes, etc. more than 10 tonnes, by RO RO operations. Vehicles including bull dozers, militarytanks, forklifts, tractors, mafis, cranes, etc. by LO LO operations.	Stevedoring rates on vehicles: In order to remove ambiguity & bring clarity, Port has already made changes in the description in proposed S O R. TAMP may take a view regarding inclusion of military tanks in proposed description.
(x).	Stevedoring on Bulk Cargo like pulses, sugar etc. on imports: Presently very high stevedoring rates are stipulated for bulk cargoes mentioned above. The operations do not require any Port Labour as there is no trimming required and, therefore, no Port Labour is engaged for the work. Only notional gangs are booked. Further, the stevedoring handling gear like grabs etc. are supplied by the receivers and not by the Port. Therefore, there is a need to drastically reduce this rate as in every case of import the stevedoring handling gear is not supplied by the Port at all, but, is provided by the Vessel Operating Agents (VOA) themselves or by the Receivers. Thus, for import of bulk cargoes separate reduced Stevedoring rates need to be specified. Our submission is for a separate provision in the S O R, reducing the given rate tariff substantially, given the principle that charges shall be proportionate to the service provided.	Stevedoring on Bulk Cargo like pulses, sugar etc. on imports: Even though the cargo is discharged by grabs, the existing manning for deploying On-Board staff continues. Major composition for stevedoring charges comprises manpower consisting of cargo handling workers, On-Board Supervisory staff, gear cost and documentation cost. It may not be feasible to accept the contention of MANSA to revise this rate till such time the manning levels are reduced. Further this office has proposed increase of 30% only.
(xi).	Removal of all Confusing Clauses of the relevant Section in the DSR: Non Charging of Berth Hire after 4 hours of readiness of vessels to sail (viz. S O R Chapter II Clause 2.15(A) notes 2 (i) to (v) to be deleted and to be redefined to remove ambiguity) i.e. Berth hire to cease 4hours after readiness declared to the port irrespective of tidal conditions etc. and delays not attributable to the vessel. Clause for penal berth hire can stay in case vessel fails to sail on readiness shown by agents and if not cancelled prior 4 hours time of readiness shown.	Removal of all Confusing Clauses of the relevant Section in the DSR: Notes (i) to (v) have been prescribed by TAMP vide its orders dated 4th February 2000 and 19th July 2000, which are commonly applicable to some of major ports including MBPT.
(xii).	MBPT has introduced a new provision for recovery of Ousting / Priority charges for Anchorages and Berthing. We strongly recommend that these charges be permitted only	There is no provision in the existing SOR to recover priority berth hire charges, whenever any priority is accorded for berthing in terms

	for unscheduled priorities like Government requirement for fertilizer and food grain vessels etc. and not for priorities laid down by the Port for Passenger vessels, barge vessels, PCC, deep drafted vessels etc.. The Port should plan properly if it is according priorities. It may also be noted that unlike other ports where many deep drafted berths are available for over dimension vessels, Mumbai port has only one berth with draft of 10.5 meters and this berth, apart from cargo vessels, is also used for Cruise vessels. If this provision is made applicable to all the vessels calling at the Port, there will be chaos leading to unhealthy practices to the detriment of overall Port working.	of Government guidelines issued from time to time or otherwise. It was necessary to make such provision, as similar provisions exists in the SOR at other Major Ports like Kolkata, Chennai, Kandla, JNPT. No instances calling for priority had arisen in terms of Government guidelines for fertilizer cargo vessels, as the berths were available The anchorage have been added on par with berth.
(xiii).	Bunder Scale of Rates: Rates being proposed are not commensurate with the services rendered. No facilities are being provided at the Bunders, but, rates are now brought under the cover of Docks S O R and without any legal validity as the Bunder S O R are covered under the General By-Laws framed under MPT Act whereas S O R are under Docks By-Laws under the same Act. Without amending the General By-Laws, the Bunder S O R cannot be merged into the Dock S O R thus creating a legal infirmity. Apart from this, the present proposal of MBPT to charge 50% of the DSR rates are not acceptable and this provision should be de-linked from the DSR.	Reply on this issue has already been given in other contexts.
(xiv)	Charges on fresh water supply: MBPT has agreed to retain the existing rate of ₹30/- per 1000 litres as against ₹39/- per 1000 litres proposed. In fact, it may be recorded here that no facilities are being provided by the Port for supply of fresh water. This charge has no base and is totally unjustified. Therefore, we request TAMP to abolish this charge altogether	Reply given while dealing the remarks of Indian Barge Owners Association.
(xv).	Charges on fresh water supply: MBPT has agreed to retain the existing rate of ₹30/- per 1000 litres as against ₹39/- per 1000 litres proposed. In fact, it may be recorded here that no facilities are being provided by the Port for supply of fresh water. This charge has no base and is totally unjustified. Therefore, we request TAMP to abolish this charge altogether	Reply given while dealing the remarks of Indian Barge Owners Association.
(xvi).	Anchorage Points / Port Limits In the earlier S O R under chapter II Section 2.14, schedule of Anchorage fees, Anchorage points were clearly defined and notified in the S O R with graded rates for low and high drafted anchorages, whereas, we find that these definitions have been deleted in the revised S O	The port has got number of anchorage points for which preferential rates have been prescribed. Different anchorages have been utilized for different types of vessel. In order to have flexibility in operation, the port proposes to have common rate for the anchorages. The allocations will be done

	R and a single rate has been made applicable. Anchorage dues are also applicable to vessels working in the extended port limit where no services can be rendered to these vessels, as launches are not permitted to ply. Rates applicable should be graded in accordance with the facilities that can be provided to vessels. We request that the definition of the Anchorage Points / Port Limits be retained in the respective Sections showing the Anchorage Points / Port Limits so as to remove the ambiguity while applying the S O R. This would reduce disputes arising out of interpretations.	depending on the requirements at given point of time keeping in mind the parameters like draft, productivity, etc. The income from anchorage charges is ₹4 crores per annum approximately as against the total income of ₹900 crores to the Port. As such, the impact of this common rate are compared to the differential rate is going to be negligible. Further, the proposal also simplifies the rate structure.
2.	**Karanja Machhimar V.K.S. Society Ltd.**	
(1)	The cost of the diesel has increased very high from last three to four years. Therefore, we are losing money in the fishing profession. Please prescribe a little-bit less annual fee per tonne. Our fishermen makes new boats. They pay rent every month. This rent is very high. Therefore, we request you that you prescribe new boat rent as Registered boat, so that our fishermen will not pay any more.	(1) Under the provision of section 2.10(II) (2) of proposed S O R, monthly license fees per GRT is prescribed for registered fishing vessel and trawlers. Owners of fishing vessel and trawlers can avail of facility of payment of License fees on annual basis which is 10 times the monthly rate prescribed, which is a concessional rate. Only registered fishing vessel and trawlers are permitted to use berth. However, at times, newly constructed boats or non-registered boats are also brought along the wharf by owners without permission and in such cases, monthly License fees are recovered as per S O R.
(2)	Our two trucks are registered here. We pay rent for the trucks every year to Mumbai Port Trust. We are having four trucks for the help of the fishermen. These trucks transport diesel and ice to the fishermen. Please fix the annual fee for these trucks giving license contract. We pay ₹ 25 per truck per day. It will not be given in future. Please do not increase annual fee.	(2) The charges for the trucks are prescribed in section 4.4 of the proposed S O R, which is ₹813/- per truck per annum and ₹33/- per truck per day, if permit is not held. Further, trucks of the registered Fishermen's Co-operative Societies are also granted rebate of 50% in license fees and the same is quite reasonable.
(3).	Karanja Machchimar V.K.S. Society is our fishermen Society. We do social work by helping our fishermen members. This fishermen society is not a private company. Fishing profession is in recession. We are informing through this letter that we are having two plots (No. 13 & 14) in Sasoon Docks. We pay rent every month for this two plots. We request you that the rent of the plots are very high, therefore please prescribe less rent for these two plots. If it is not possible then please do not increase the rent. Even after several requests MBPT did not clear the dock proper. For this reason, we get less price for the fish. The condition of the dock at many places is very dangerous and it is likely to fall down. Garbage is in heaps inside the water of the dock. So it is very difficult for the boat for two and fro	(3) Plot nos.13 & 14 does not fall under purview of Scale of Rates.

	motion. Take necessary step to remove the heap of the garbage.	
(4).	This business will stop during high tide and storm. Therefore, please do not increase the License Fee of the plying objects: (1). Weighbridge (2). Ice Crushing machine (3). Fix Auctioners (4). Hand Cart (5). Ice Suppliers	(4) Dock cleaning – Dock cleaning is carried on at regular intervals.
		(5) License fees on ancillary trade have been proposed with 30% increase in the present rates. Further registered co-operative society's are granted 50% rebate in license fees, hence rates can be termed as reasonable.
3.	**ICC Shipping Association**	
	The definition of coastal vessels should be amended as given below. Due to the existing definition of coastal vessel several coastal vessel owners continue to be penalized by being classified as foreign vessels merely due to the fact that the vessel's trading certificate has expired or under renewal : "'Coastal Vessel' shall mean any Indian vessel fulfilling any one of the following criteria: (i) exclusively employed in trading between any port or place in India to any port or place in India and having a valid coastal trading licence issued by the competent authority. (ii) exclusively employed in trading in and around any port or place in India and having a survey issued by the competent authority.	Definition of vessels are as prescribed by TAMP. Classification of vessels into coastal & foreign is done as per the provisions approved by the TAMP. Bunder rates were initially brought on par with Docks rates. However same has been reconsidered and fixed @ 50% of Docks rate. As regards charges for supply of water by licence agencies for use of MBPT facilities, it is to be stated that this is basically regulatory charge and same is not proposed to be increased.
(ii)	laid-up at any Indian port or place". The proposal to equate the SOR at docksand bunders should not be agreed to as the facilities provided at docks and bunders are totally different.	
(iii).	The proposal to increase the water conveyance charges should not be ageed to since the availability of water depth at bunders is woefully inadequate. The levy of charges for supply of fresh water to vessels is unjustified as water is supplied under a shipping bill and not under a bill of lading.	
4.	**Indian Barge Owners Association vide letters dated 3 February, 22 March, 31 May and 23 August 1011**	
(i).	The Port wants to treat the Bunders on par with	The rates at Bunders on par with Docks was

	Docks and apply the Dock scale of rates to the Bunders as well. The traffic handled at the Bunders is 4 million tons annually, that is, about 50% of the traffic at the Docks. That being so, it is not understood as to why the Bunder areas are not dredged and the facilities improved. At the Bunders all loading and unloading operations are carried out by the private operators with their own labour whereas in the Docks manpower is supplied by the Port. Wharfage charges include labour cost and since labour is not supplied by the Port at the Bunders, wharfage should not be increased. At the Bunders no shore or supporting equipments are provided by the Port. Private operators use their own equipments. In the Docks the Port provides such equipments like shore crane, mobile crane, forklifts, etc. There is a vast difference in the facilities available and equipments provided by the Port in Bunders and in the Docks. Therefore, the definition of Docks should exclude the Bunders as they are as dis-similar as diamond and charcoal even if both have the same origin (carbon).	proposed considering the shifting of cargo from Docks to Bunders and lower revenue to port on account of zero stevedoring revenue and berth hire at bunders. Considering the objections raised by the trade and review suggested by TAMP, it is proposed that wharfage at bunders has been fixed and proposed at 50% of the rate applicable at Docks. MBPT will improve facilities at Bunder area such as:- (a) Repairs to roads. (b) Repairs to wharfage and Quay Wall (c) Dredging to the extent possible (d) Security services It can be further emphasized that there is likelihood of shifting of cargo from Dock areas and harbour wall berth on account of taking up of project during the tariff validity period. There are no stevedoring rates at Bunders and also no separate berth hire charges are levied for occupation at Bunders other than monthly license fees charged on the barges. The comparison given by the Association in the table relates to the present position. However, as regards dredging and maintenance of wharves and jetties on Bunders departmentally and the wharves at Haji Bunder and Hay Bunder, etc. are also maintained periocally. Recently, hay Bunder road and M.S.R. road have been concretized. At Hay bunder and Haji Bunder, MBPT watchman as well as armed policemen are posted round the clock.
	Bunders have inferior facilities as compared to those available at the Docks. Therefore, wharfage has always been far lower at the Bunders than at the Docks. By proposing same rate of wharfage the net increase in Bunder tariff varies from 316% to 527% as can be seen from the following table.	Please refer to answer at previous point above wherein information about improvement of facilities at Bunders are given. It is now proposed that wharfage at bunders has been fixed and proposed at 50% of the rate applicable at Docks. Port has been recovering 50% of the normal wharfage on bunkers supplied to the ships and there is no reason or justification to discontinue the same.
(ii).	<u>Miscellaneous charges towards Licence Fee (Clause 2.10.II)</u>: This is a new charge introduced. Barges are already paying water conveyance charges along with Port dues on GRT basis. Therefore, what is this charge for. This should be scrapped.	Port has furnished reply to this point at different contexts.
(iii).	<u>Licence fees for water conveyance (Clause 2.10.II).</u> The Port has proposed to increase this	Charges for Licence fees for Water conveyance for harbour crafts other than

	charge to ₹50 as against the existing charge of ₹32.40 per GRT per month for the barges, an increase of 55%. The existing charge itself is not justifiable as the Port is not incurring any expenditure at the Bunders towards dredging, jetty maintenance or reconstruction, etc. We are, therefore, opposed to any hike in this charge	fishing trawlers has been proposed to recover @ ₹38.00 per GRT/per month and not @ ₹50 per GRT/per month. Hence an increase of 17% only. This levy has been brought into effect since December 2006, and proposed to be retained at ₹30/-. MBPT intends to bring the said activity at all areas under regulatory framework and the rate of ₹30/- per litre to be levied is for port facilities for rendering the service. As such Levy of fresh water supplied by licensed agencies may be allowed.
(iv).	Charges for construction & repairs of vessels (Clause 4.3.3): The current rate of Rs.3.75 per GRT per day is itself without any commensurate service or facility provided by the Port. The increase to Rs.4.88 is unwarranted and not approved.	Boat hard charges for repairing of vessels: There is only an increase of 30% over the previous charges and hence can be treated as reasonable.
(v)	Casual Occupancy Charges (Clause 3.2 B): Presently for areas allotted to users in the Bunder areas, the Port charges Casual Occupancy Charges as provided in Appendix 'A' to the General Byelaws Clause 9. There are different rates for areas falling under different locations. There is no provision in the subsisting S O R for the payment of COC. In the proposal submitted, the Port has brought this payment of COC in the S O R and has also sought an upward revision. While the present rate under the General Byelaws is Rs.2 per sq. mt. per day, the Port has asked for rates ranging from Rs.4 to Rs.5 per sq. mt. per day i.e. an increase of 100% to 150%. This is too steep an increase. The Port has not incurred any expenditure for improving the existing facilities nor have they created any additional facilities or amenities warranting the increase asked for. However, if the Port is able to substantiate its request for upward revision of rates by giving information of expenditure, if any, incurred for improving the existing facilities or for creation of additional facilities or amenities, then a reasonable increase of 4% can be considered.	Increase of casual Occupancy charges: The casual occupancy charges are proposed and is included in the S O R. Demurrage rates are also proposed. Since TAMP is fixing only ceiling rates, it is for the Board to take actions based on business requirements from time to time, if a reduction is required.
(vi)	WHARFAGE/DEMURRAGE The Port has now scaled down these rates from 100% of Dock charges to 50%. But we still do not have a clue as to why Bunder charges are correlated to Dock charges, when the conditions, infrastructure and facilities at Bunders are totally different. If Bunder charges have to be related to Docks rates, they should be just 10% of Docks charges because there is that much difference	Wharfage/Demurrage We have already elaborated the facilities created at bunder areas, cost of the same incurred during the financial year 2008-09,2009-10 and 2010-11 along with the reason for proposing the common rates.

	between Docks and Bunders in infrastructure, services, conditions, etc. We have already brought out in sufficient detail in our earlier submission as to why Bunders and Docks cannot be clubbed together. Historically also Bunder rates have been far less than the Dock rates as the services/facilities available at the Bunders are far inferior to that prevailing in the Docks. There ought to be a separate scale of rates for Bunders taking into account the ground realities. Only as and when the facilities/services at both Bunders and Docks become identical, can the Port think of clubbing the Bunders and Docks together. As per TAMP guidelines, charges should be based on (i) the costing of each service provided, and (ii) the level of services rendered and facilities provided. It appears the Port has not applied both these basic principles. The Port has not given any specific data as to what facilities it has added at the Bunders and what expenses it has incurred in the last 3 years. At the ground level we do not see any improvement. The Bunders really are worse off today than what they were some 10-15 years earlier. Secondly, as pointed out repeatedly level of service, conditions prevalent and infrastructural facilities provided at Bunders warrant no increase at all, let alone as steep as 50% of Dock charges. Thirdly, it may be seen from the following table that application of 50% Dock charges on Bunders will lead to more than 100% increase in Bunder charges over the present rate. The Port has stated, "Improvement in infrastructure based on growth of traffic at Bunders will be done". The Port has first to improve the infrastructure and only thereafter levy higher charge. In view of above reasons we are totally opposed to fixing of Bunder charges as a proportion of Docks charges, without doing any detailed costing of the services rendered at Bunders.	
(vii).	WATER SUPPLY CHARGES Under item (v), the Port has retained the Levy of ₹30 per 1000 Litres of water supplied by Private agencies. As abundantly pointed out earlier, the private operators are already paying a plethora of charges for <u>every</u> facility/service provided by the Port. So what is the levy for? The Port can have a case where the private operators supply water	 Comments on this issue have already been furnished above.

	inside the Docks since the Port can claim that they have installed the necessary infrastructure inside the Docks. The Port has neither any facility in the Bunders and hence has not incurred any expenditure nor is it in a position to supply water in Stream. This charge is illegitimate and should not have been levied at all right from the beginning. We are totally opposed to the continuation of this levy. There cannot be any comparison of rates between Bunders and Docks. Also, there is wide disparity in the facilities and services provided at the Bunders vis-à-vis the Docks. As the representative body of the barge owners operating in the Mumbai Harbour, we strongly oppose the proposals put forward by the Port for an upward revision of charges. If at all, many of the charges need to be scaled down.	
5.	**Indian Ship Breakers Association**	
	There is no co-relation between the Revenue from the Ship Breaking Industry and the cost incurred by the MBPT for this Industry. Therefore, we suggest as follows: 1] The MBPT is charging Anchorages charges from the Ships for Breaking should be exempted. 2] The MBPT is also charging Pilotage charges for Beaching of the Vessel from Stream to Darukhana. Therefore, no Beaching charges should be levied thereafter till Breaking permission is granted. 3] The Breaking charges on the Vessels must be charged on the reducing Quantity i.e. fixed by the Tamp. At present, the regulated Quantity is being considered as 800 M.T. or part thereof per month and charges should be reduced by 25%. 4] Once the Vessel is being removed from Wharf, only Hard Charges should be levied, as being levied at the other Ports. 5] We strongly recommend that Breaking charges should be fixed @ ₹120/- per LDT instead of Daily Basis 6) MBPT has proposed to introduce two conditionalities as stated below: (a) Vessels beached at vacant plot shall commence breaking within 7 days from date	The activity has been restarted due to the compelling need of the industry for such a facility. There was demand from the trade for such a facility to be restarted at Mumbai. This demand was after due consideration of the facilities available to the Association. After conducting business, making general comments on facilities, inadequacy of facilities etc. is to be construed as deliberate attempt to delay the process of upward revision. (1) Specific charges are notified in the SOR for specific services. As such, the objection that anchorage charges to be construed in lieu of ship breaking charges is not tenable. (2) The productivity levels have been increased for better turnaround and is in line with the TAMP policy. The demand that the rates to be reduced by 25% is wild and not justified. (3)Shipbreaking is environmentally sensitive and involves high amount of monitoring by the Port. Hence also there is justification for the upward revision of tariff. (4)MBPT had proposed increase of approximately 30% in the charges for ship breaking operations. These rates were pre-revised & prevailing with effect from

	of beaching. In case breaking of the vessel does not commence within 7 days, ship breaking charges shall be recovered from 8th day onwards, instead of beaching charges and accordingly the regulated period for breaking will be counted from that day onwards. (b)The ship breakers of the vessels beached behind vessels undergoing breaking shall submit all required documents prior to completion of breaking of previous vessel and commence ship breaking within 3 days from date of ship breaking permission. In case breaking of the vessel does not commence within 3 days, ship breaking charges will be recovered from the 4th day onwards, instead of beaching charges and accordingly the regulated period for breaking will be counted from that day onward. We strongly recommend that the above conditionalities should be deleted, which is beyond the control of the Ship Breakers. Since, submitting acquired documents such as Maharashtra Pollution Control Board Clearance and Custom Clearance is not in the hands of Ship Breakers. 7) We also recommend to modify the existing Para pertaining to size of ship maximum rebate admissible in percentage of total charges recovered as follows: LDT up to 6000 Ton 25% LDT above 6000 Ton 40% 8) The Regulated Quantity should not be increased from 800 Tons to 900 Tons per month, since; it will put undue hardship in breaking the Vessel in safe and secured manner as prescribed under the various Regulations.	31.12.2006. As such the existing rates are already in force for more than 4 years. Hence also the upward revision proposed is highly reasonable and justifiable. (5) As per SOR, the unit for ship breaking charges is “per day per LDT" which is beneficial to port users instead of rate per month basis. (6) These clause have been incorporated after considering the operational requirements and experience gained after restarting. These clauses are already in place vide circular dated 11.03.2010 issued by Mumbai Port. Both the paras have been incorporated in the proposed SOR for maintenance of discipline in utilization of plot and also to ensure that work of ship breaking activity commences at the earliest, thus making the plots available for other shipbreakers. Hence it is essential to be incorporated. (7) The size of the ship and the maximum rebate based on productivity has been proposed after due consideration of the past performance. (8) As per analysis made, shipbreaking activity at the various plots is carried out @ more than 900 tons per month and therefore regulated tonnage is proposed @ 900 tons per month. Further, rebate is being granted for vessels broken prior to the expiry of regulated period. With the objections being raised for increasing the regulated period from 800 tons to 900 tons per month, it is not clear as to how the volumes will go up with reduction of rates/charges. (9) As entire plot remains in the custody of ship breaker, request to levy charges on reducing quantity is not acceptable.
6.	**Indian National Shipowner's Association**	
	We fully support the view expressed by MANSA and Indian Barge Owners Association regarding port dues, berth hire charges, ousting priority, composite berth hire, stevedoring charges, peneal interest, surcharge on heavy lift levy on fresh water supply and dry docking charges. The adhoc increase of 30% is not at all justifiable. Bunder scale of rates should not be merged with dock scale of rates which would result in reduced traffic.	MBPT has given its comments on these issues while replying to the points raised by MANSA and Indian Barge Owners Association .

7.	Iron Steel Scrap & Ship breakers Association of India dated 26.04.2011	
	During the years from 2006-07 to 2008-09, the industry was almost closed at MBPT.. However, during the Year 2009-2010, due to Recession worldwide and due to closure of Bangladesh Ship Breaking Industry, the Vessels were diverted to India and therefore, there were large number of Vessels arriving in Mumbai also. We suggest the following: 1) Beaching and breaking charges should be reduced by 25% instead of revising upward. 2) MBPT has proposed to introduce two conditionalities as stated below: (a)Vessels beached at vacant plot shall commence breaking within 7 days from date of beaching. In case breaking of the vessel does not commence within 7 days, ship breaking charges shall be recovered from 8th day onwards, instead of beaching charges and accordingly the regulated period for breaking will be counted from that day onwards. (b)The ship breakers of the vessels beached behind vessels undergoing breaking shall submit all required documents prior to completion of breaking of previous vessel and commence ship breaking within 3 days from date of ship breaking permission. In case breaking of the vessel does not commence within 3 days, ship breaking charges will be recovered from the 4th day onwards, instead of beaching charges and accordingly the regulated period for breaking will be counted from that day onward. 3) We suggest that para (a) and (b) should be deleted for the reasons that after beaching of a vessel, permission from the Customs – particularly for assessment and out of charge (breaking permission) - and clearance from MPCB (Maharashtra Pollution Control Board) are required which are subject to bureaucratic delays and beyond the control of the Ship Breakers and therefore cannot be time bound. 4) As per the present norms of MBPT, ship breakers are expected to break 9600 tonnes of	Tariff revision proposal with an overall increase of 30% on existing rates for all items of tariff considering the financial position of the Port has been submitted to TAMP.In view of overall increase in the cost, request of 25% reduction in charges is not acceptable. Two new Clauses have been incorporated after considering the operational requirements and experience gained after restarting. These clauses are already in place vide circular dated 11.03.2010 issued by Mumbai Port. Both the paras have been incorporated in the proposed SOR for maintenance of discipline in utilization of plot and also to ensure that work of ship breaking activity commences at the earliest, thus making the plots available for other shipbreakers. Hence it is essential to be incorporated. MBPT has ermarked 4 smaller plots to vessels below 3000 LDT, whereas 14 bigger plots are allotted to the ship above 3000 LDT to facilitate higher productivity. The system of charging per day rate is necessary to achieve higher rate of breaking. In case of bigger vessels i.e.above 9000 LDT, Volume Discount Scheme may be considered in future. Penal charges for breaking of ships beyond the regulated period needs to be continued with a view to enforce completion of ship breaking activity within the regulated period. Ship breaking charges are recovered on the total LDT of vessel for entire period of occupation since entire plot remains in the custody of ship breaker till removal of last piece of broken material and till then plot cannot be allotted to another ship breaker. The partial vacations of plot will not serve any useful purpose. Hence, request for fixing penal charges on 50% of LDT of ship breaking and not on total LDT of ship cannot be considered. As regards other issue, it is to be clarified that plots are allotted for beaching of ship after verifying the availability of space.

	ship per year i.e. 800 tonnes per month. The present system of charging for the whole ship per LDT basis totally discourages larger vessels coming to MBPT. For example, as per present stipulation, at the rate of 800 tonnes per month, 9600 tonnes have to be broken up in a plot per year. Thus, a ship breaker bringing a 9600 tonne vessel is liable to pay 9,600 x Rs6.25 per LDT/day (present rate for the regulated period) = ₹60,000/- day which amounts to ₹2.19crore year. Against that, if 3 ships of 3200 tonnes each are brought by a shipbreaker , equivalent to 9600 tonnes total, he will be paying 3200 x 6.25=20,000/day totaling ₹73 lakh/year only. Same way Penal rate for a day beyond the regulated period for a breaker bringing a 9600 ship even at the normal rate (leaving aside the increased penal rate) calculated on the whole ship, even if the material left is only one tonne, will amount to ₹60,000/- in place of ₹20,000/- for a breaker who brings 3200 tonne ship. This looks illogical and irrational. These totally discourage and unduly penalize bringing of larger vessels to MBPT. In such a scenario, how can MBPT expect larger vessels to arrive in Mumbai for breaking? Thus the whole system of charging on the basis of LDT is defective. Charges should be based on per day basis irrespective of the LDT of the ship because size of plot and its utility remain same. So charges should be related to utility per day of plot and not related to ships LDT. 5) Penal charges are irrational and illogical in the case of larger ship and smaller ship. As represented in our submission dated 10th December, 2009, even if penal charges are to be imposed, we maintain that penal charges for beyond the regulated period should be fixed on 50% LDT of the ship and not on the total LDT of the ship for the reason: (i). During the sanctioned period, substantial portion of the ship is broken. The balance to be broken at any given time is not the entire ship. (ii). In many cases, the ship is removed from the sea, but the materials are lying on the plot. MBPT allows another ship to be beached from where the ship ha been removed. Thus MBPT will be charging double the rate for the same plot. One for the ship in the sea and another for the material lying on the plot.	However, at a plot having two ships beached one behind the other, the breaking permission for the second ship is granted only after entire material of first ship is cleared from the plot. Further, penal charges for breaking of ships beyond regulated period needs to be continued with a view to enforce completion of ship breaking activity within the regulated period. The industry has no objection in MBPT's proposal to increase the initial regulated period considering 900 LDT or part thereof per month instead of the prevailing 800 LDT or part thereof

5. The MANSA vide its letter dated 2 June 2011 made some submissions stating that they are very critical points which are hitting the trade very hard and require urgent attention to resolve the issues. It was decided to forward the communication of MANSA to MBPT for the port's comments and the reply of MBPT to be shared with the MANSA for the comments of MANSA, if any. Accordingly, a copy of MANSA letter dated 2 June 2011 was forwarded to MBPT seeking its comments. MBPT responded on the comments of MANSA. The response of MBPT was forwarded to MANSA for its comments. The MANSA has also furnished its response to the comments of MBPT, apart from reiterating its earlier comments on other issues. The submissions of MANSA, the response of MBPT and the comments of MANSA on the response of MBPT are tabulated below:

Sl. No.	Comments of MANSA	MBPT's Comments	MANSA's comments on the response of MBPT
(i).	Port dues The Port is wrongly interpreting the Provision under "Port dues" which stipulates the charges for "each entry" per GRT. We recommend that instead of the wording "each entry per GRT" same be replaced by the wording "PER VOYAGE BASED ON IGM, VCN & PC". Port dues are being charged twice if a vessel is moved to BFL and returns to complete cargo work or formalities etc. MBPT, under letter dated 11th April 2011 has agreed that if TAMP takes a view and decides it would be agreeable to the decision. We therefore request TAMP to guide in the right perspective and advise MBPT not to charge twice Port dues on vessels re-entering the Port limits after being moved out for reasons not attributable to the vessels during the same voyage.	Basis of charges for Port dues have been always on per entry basis. Same is also as per Model Scale of Rates. MANSA's request to charge "per voyage based on IGM, VCN & PC" can not be accepted. As regards Port Dues being charged twice to vessels moved to MFL & returning back to complete cargo work or formalities, we request TAMP to take a decision.	Internationally Port Dues is payable on the basis of per voyage to a particular port. We therefore request TAMP to rule in this favour which in the case of Mumbai would be on the basis of IGM, VCM & PC as 'per entry' leaves the interpretation ambiguous. If above request is considered then automatically issue of vessel shifting to outer anchorage due to lack of infrastructure available with port will be taken care of.
(ii).	Stevedoring Rates on Steel Cargo The provision of S O R as available are not interpreted in the right perspective and steel cargoes like plates, pipes, billets are wrongly charged as project cargo. This ambiguity needs to be completely removed. The steel cargoes are being classed recently by the Port as project cargoes because they are manifested as boiler plates or pipes being imported for pipeline projects etc. By no stretch of imagination can such cargoes be deemed as project cargo. Even though Port Authorities principally agree to our stand but no cognisance is taken when applying the wrong rates. We, therefore, request TAMP to give clear directions, in the Order that the following items be categorised as steel cargo: Steel Plates (Including Hot Rolled Ship building plates, ship building / bodies quality steel plates / steel bull hull flat bars / steel shoe sections Prime Flat Rolled Ship Builder Plates)	The rate of machinery/project cargo is applied for certain items of steel cargo on the basis of its specification in the IGM viz. ship building quality, boiler quality or consigned to project work. TAMP may take a view.	MBPT's contention that all cargo consigned to project work should be considered as project cargo is incorrect. In this case, even cement cargo or wire rods and all construction material would also fall in project category. This is totally incorrect. Referring to Port for example if cargo is described as steel plates for boiler quality basically it is plates and not project cargo thus should fall in the category of steel.

	Pipes [Seamless Tubulars, DIL Well Drilling equipment Pipes, Steel Welded Tubular (there are normal pites)		
(iii).	Non-Charging of Berth Hire Charges After 4 hours of Readiness of vessel to Sail: Here again there is an ambiguity viz. S O R Chapter II Clause 2.15(A) Notes 2 (i) to (v) to be deleted and to be redefined to remove ambiguity i.e. Berth Hire to cease 4 hours after readiness declared to the port irrespective of tidal conditions etc. and delays not attributable to the vessel. Clause for penal berth hire can stay in case vessel fails to sail on readiness shown by agents and if not cancelled prior 4 hours time of readiness shown.	Notes (i) to (v) have been prescribed by TAMP vide its orders dated 4th February 2000 and 19th July 2000, which are commonly applicable to some of major ports including MBPT.	There has been no instance of non-charging of berth hire benefit as per this by Port Authorities. Even I the case where vessels were restricted from moving out of berths due to fouling of main channel (M.V. Chitra and M.V. Khalija collision) the vessels have been charged full berth hire for several days after readiness to sail, on the other hand there are several cases where penal berth hire has been charged to vessels who have delayed sailing after giving readiness. TAMP is requested to ensure a level playing field and berth hire should cease 4 hours after declaring readiness irrespective of tides or port conditions. For example other ports like Kolkata are following this TAMP guidelines.

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